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THURSDAY, JANUARY 15, 1942

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write practically every form of insurance except life

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The NATIONAL UNDERWRITER

Forty-sixth Year—No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 15, 1942.

\$4.00 Year, 20 Cents a Copy

Much Concern Felt Over Commissions in Texas Domain

Competitive Conditions Are Now Becoming More and More Acute

DALLAS—Fire insurance men in this state are vitally concerned with competitive commission conditions that may result in active strife. The situation has been growing more ominous as companies endeavor to hold their business. The action of a large foreign company group in increasing its commissions to hold its own business has intensified the competition.

A number of years ago the ruling commission rate was 15 percent and a contingent. Then some companies established a flat 20 percent rate which seemed to suit most interests. However, here and there some nonconformists stretched their compensation in order to get a foothold.

The Texas Association of Insurance Agents and most companies desired to stabilize conditions. They induced the Texas insurance department to rule that 20 percent flat must be the maximum rate in order to protect the public against excessive acquisition cost.

Gulf Contests Ruling

Gulf of Dallas went into court and contested the ruling on the ground that the department had no authority to fix commissions and its position was upheld.

The socalled orthodox companies operating here, that is, those that adhere nationally to rules and regulations in the jurisdictional bodies, held to the 20 percent figure. The Texas home companies also followed that course.

There are four sets of companies here, the orthodox, or what is generally called the National Board group, the general agency companies, the Texas home companies and then the coterie that are non-organization throughout the country.

Here and there the non-organization companies began paying 25 percent. Some pay 25 percent and contingent. Others pay 25 and 30 percent graded.

Draw Out the Fire

These companies have been edging in on the 20 percenters and are gaining ground. The question arose as to how to meet this onslaught. Threats have been made by some large companies to make new rate filings that would take the blood out of the excess commission payers. Some threatened to make new filings for certain cities where the loss ratio is low and where the high commission impact is most heavy. However, it is generally held that discrimination would not be allowed and if new filings are made they must be statewide.

The agents are emphatically opposed

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Losses Heavy on U. S. Crop Cover

Federal Unit Extends Protection to Cotton as Well as Wheat

The Federal Crop Insurance Corporation has issued figures covering its experience on wheat since 1938, when it was created. The crop harvested in 1939 was the first one on which loss payments were made.

At the same time it announced it is ready to write all risk crop coverage on cotton.

Premiums received for the 1939 wheat crop totaled 6,670,129 bushels of wheat, and indemnity payments amounted to 10,163,489 bushels, for a loss ratio of 152.4. In 1940, premiums were 13,800,812 bushels of wheat, and losses 22,895,629 bushels for a loss ratio of 165.9. For the crop harvested in 1941, figures were presented as of June 30, 1941. They show premiums of 14,264,012 bushels with indemnity payments of only 3,269,911 bushels, or a loss ratio of 22.9 percent. However, bulk of indemnity payments are made after June 30.

Administrative Expenses

The crop corporation has spent \$15,365,837 on administrative expenses during the three-year period, up to June 30. The act creating the corporation provides that such expenses shall not exceed \$6,000,000 for each fiscal year. The expenses incurred on the 1941 crop after June 30 will run the administrative expenses well up toward the maximum allowable, \$18,000,000 for the three years.

The territory of Colorado, Kansas, Missouri, Nebraska, New Mexico, Oklahoma and Texas, a "high rated" area, produced premiums on the 1940 crop of 8,121,071 bushels on which indemnity payments of 16,983,846 bushels were paid out for a loss ratio of 209.1.

On the 1940 crop the corporation insured 26 percent of the country's wheat farmers, and on the 1941 crop, 30 percent.

There is a great variation in the rate. It runs from 2 percent in districts where crops are good and crop failures rare to as high as 40 percent in some of the dry areas west of the 100th meridian.

It is pointed out that while the corporation had 30 percent of the farmers on the 1941 crop, it probably did not have nearly that percentage of the wheat producing acreage. In the drier areas where rates are extremely high, the amount of government insurance taken is fairly small, and yet a substantial portion of the acreage is located in these areas.

Average Wheat Production

The average production of wheat during the past 10 years is between 750,000,000 and 800,000,000 bushels annually. The government offers two types of coverages, one for 75 percent of the crop and the other for 50 percent of the crop. In the high rated areas it is ordinarily the 50 percent insurance that is taken. The farmer can give a note to be deducted from his farm benefits payment, or he can put up the premium in the form of bushels, in advance.

The administrative expenses are not

Rules Out Tax for War Risk Premiums

Biddle Says Constitution Forbids Proposal for Mandatory Collection

The levying of a tax to provide premiums for the government's war risk and bombardment coverage would be a direct tax, contrary to the constitution, Attorney-general Biddle has ruled. The War Insurance Corporation, with initial funds of \$100,000,000, was announced by the government some time ago, but the plan has not gotten into actual operation and practical, working details have not been issued.

It had been suggested that the United States adopt the British plan of government war insurance on land, under which premiums are mandatory.

It is reported that the Federal Loan Administration, under which the War Insurance Corporation was set up, is, consequently, still looking for a suitable substitute for the W.I.C., which now seems to be regarded as a stop-gap.

May Rate Properties

It is possible that instead of a flat uniform rate country-wide, a definite rating of properties may have to be employed with the business placed initially through an insurance company pool and reinsured by the government. Or the government may provide insurance along lines being followed by the U. S. Maritime Commission; that is, by making coverage available to assured along with private carriers.

The British plan of war coverage makes the insurance mandatory for most classes of risks at a rate of 1½ percent. Applied to the United States, such a plan would have provided for uniform mandatory war insurance taxes to be levied as premiums against real property owners throughout the country. Assured centrally located where the bombing hazard is considered very slight would have been charged the same rate as those on the coasts where the danger is much greater.

Constitutional Provision

The constitution provides that "no capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken."

Under the British plan insurance companies and agents help operate the program.

Another plan suggested is that of Sweden where the government decreed that all fire insurance policies automatically were extended to include war risk, the government reinsurance the companies 100 percent. Companies and agents handle the details. But this, too, might be illegal under the U. S. constitution.

included in the "indemnities" in arriving at the loss ratio. Speaking of the loss ratio, the corporation in its second annual report stated "an annual accounting by the corporation in terms of profit and loss on insurance is not possible. An excess of premiums collected over indemnities paid in any one year cannot be deemed a profit for the corpora-

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Chicago Board Recasting Up for Vote Jan. 22

Divorce Rating, Trade Association Work—Cut Class 1 Quota to 3

Basis changes in the composition of the Chicago Board of Underwriters, in the rate making authority in the city, and in regulation of the business are contained in a series of recommendations that was framed by a committee consisting of officers of the board, approved unanimously by the directors and mailed to the members Monday night, 10 days, as required, before the annual meeting Jan. 22. The Insurance Brokers Association of Illinois Tuesday afternoon considered the proposed changes and another meeting will be held for all brokers, regardless of association membership.

The capital change proposed is division of the Chicago Board into two organizations—one a rating office, which, presumably, would be administered exclusively by the companies, and the other a trade organization. There is widespread demand that R. A. Parker, now acting manager of the board, be named as the chief administrative officer of the two new units. If the program is adopted, it will mean that there will no longer be any place in the country where local agents have a voice with companies in rate making matters, the Chicago Board being the only company-agency rating authority left.

Licensed Rating Organization

The new rating organization, which would be entirely distinct from the Illinois Inspection Bureau, would be licensed by the state, just as the Chicago Board is today, but the trade organization would not be licensed.

That the day would come when the two elements of the Chicago Board makeup would be divorced has long been prophesied. Circumstances are such that the separation apparently will be accomplished without protest on the part of agents.

Probably the next most discussed proposal is that the number of permissible class 1 agents per company be reduced from four to three, compliance to be enforced commencing Aug. 1. Such a reduction in quota has long been debated in Chicago. Those advocating such a step assert that it would tend to retard payment of excess commissions, because it would reduce the competition on the part of companies for production points. Every manager feels an obligation to take full advantage of his quota and he is constantly unhappy if he has a place open. A predictable consequence would also be increased difficulty in starting a new class 1 agency.

Until almost the last minute, it is understood, the program provided that

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Pleads for Practical, Factual Handling of Interstate Issue

By V. L. GALLAGHER

Assistant U. S. Manager of Pearl

Problem No. 1

Since many states have required by law that a set standard form of fire insurance policy be used to insure all property located in the state and these forms differ from state to state, any one policy insuring property located in two such states ipso facto becomes illegal in one or the other.

Suggested Remedy:

Since such standard policies must have been legislated to protect the public, and since, being in the statute, their terms may always be reviewed by a citizen, would not a clause something like this one accomplish the purpose of such laws and be considered by authorities as a compliance therewith:

"If this policy be more restricted in its wording than that of the standard policy required by law in any state in which property insured hereunder is located, then the terms of such statutory policy shall govern. Upon request, the company will furnish the assured with a copy of such statutory policy form."

Old General Cover Contract

As an alternative the old "general cover contract" might be revived. It was only an undertaking by the company to supply local policies and to keep the assured covered in the interim. It was unsatisfactory and clumsy, most difficult to sell and should be allowed to rest in peace.

Problem No. 2:

Compliance with resident agency laws:

All states now provide by statute that any policy of fire insurance covering property in the state shall be signed by a licensed resident thereof. It is doubtful if resident agent laws as applied to interstate business, i.e., policies which insure property in two or more states, accomplish as much good as they do harm to the public, or the agents. Certainly they do not duplicate the great protection to local agents that their application to single state business has provided. It would probably be politically impractical to secure modification of these statutes to exempt interstate risks, although such would be the most satisfactory remedy. One method is suggested which may be considered at least a technical compliance with such laws, namely:

Remedy:

Rulings by all commissioners that they will consider a "countersigning endorsement" as equivalent to an actual countersignature, if the local signing agent is provided with a copy of the copy of the actual insuring form on the master policy,—the rates, locations, amounts of insurance and premiums applying to property in his state and the countersigning agent is paid a commission as agreed upon or where law provides the legal rate, such endorsement to be attached to the company's copy of the policy. This should safeguard the state's record of premium transactions for taxation and other purposes.

Problem No. 3: Taxation:

Allocation of premium for premium tax purposes has presented a serious problem to enforcement officials, and no lesser one to companies. Most state tax laws require payment of a percentage of "premiums written" or "premiums collected." Where an interstate so-called floater policy is written at a single rate covering property in various states, the determination of just what premium is "written" or "collected" in each state

becomes a matter of moment. No uniform rule has been supplied to companies and opinions as to proper methods vary from state to state and from company to company. In general companies are anxious to pay their taxes to the proper authorities and lack of a



VINCENT L. GALLAGHER

uniform approved method seems to be the greatest obstacle.

Remedy:

If the National Association of Insurance Commissioners will promulgate some uniform rule and each state department will rule that to follow it will be considered compliance, this difficulty may be overcome. In general there are two methods in use:

- Division of the master policy premium between the states in proportion to the value in each (the readjusted value in the case of reporting policies), and
- Division of the premium between states in proportion to the local tariff rate multiplied by local values.

If the master policy is written at a deviation from the average published tariff, the tariff premium in each state, for taxation purposes will be deviated by the same percentage. While the writer holds no brief for either method, and doubts that companies are particularly concerned with which method is decided to be correct, he inclines to the second method as being the more equitable.

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THIS WEEK IN INSURANCE

Program for radical reorganization of **Chicago Board** will be submitted to vote Jan. 22.

Much concern is felt as to the **commission situation** in fire insurance circles in Texas.

Attorney General Biddle rules mandatory premium tax for **government's war risk cover** would be unconstitutional.

J. Victor Herd resigns as vice-president, secretary and a director of Fire Association.

Correspondence between Commissioner Holmes of Montana and Deputy Commissioner Gough of New Jersey on the subject of **cost of company examinations** is released.

Vincent L. Gallagher, assistant U. S. manager of Pearl, prepares interesting treatise on the problem of interstate rating methods.

Grain elevator loss in Superior, Wis., may cost the **Underwriters Grain Association** as much as \$1,500,000.

R. W. Carter is elected president of Farm Underwriters Association at annual meeting in Chicago.

Texas Agents Are Urging Passing Midyear Meeting

H O U S T O N—Many Texas agency leaders declare the National Association of Insurance Agents can well omit its midyear meeting during the war period. Local agents, they say, are needed at home these days, with additional demands on them. Some declare they can well use the money that would go to convention expense in purchasing defense bonds.

Furthermore, these agents say many have been wont to travel by automobile to cut transportation cost but with new restrictions they will travel by rail. In this section at least the movement of troops is congesting passenger traffic.

Some suggest that the officers and members of the executive committee meet in midyear session but that the regular convention be called off.

U. S. Chamber Scans Insurance War Time Moves

A general picture of the situation in the insurance field as America enters the world conflict is presented in the "Washington Review" of the U. S. Chamber of Commerce, as outlined by Terence F. Cunneen, executive assistant for insurance. He refers to the creation by the Reconstruction Finance Corporation of the War Insurance Corporation; to the fact that the Maritime Commission has established a \$40,000,000 fund to provide war risk insurance and reinsurance on American vessels; to the fact that at Dec. 31 life companies held \$5,815,000,000 of securities of the federal government; to the insertion of war clauses in life policies; to the issuance of national service life insurance by the federal government; to the life insurance rate increases and to the fact that in recent months fire and casualty companies have been emphasizing the necessity of fire prevention and safety programs.

City Reimburses Riot Loss

WEST ALLIS, WIS.—The council has authorized payment of \$3,587 to Royal to reimburse it for payment made on riot policies on the Allis-Chalmers Manufacturing Co. plant during the strike last year.

Judge Albert B. Craig of Blairstown, N. J., has just celebrated his 45th anniversary in the insurance business. He is president of the Tri-County (N. J.) Association of Insurance Agents and represents the third generation of the family to direct the agency, which was founded in 1876.

Heaviest increase in the **rate revision** of auto liability lines made effective Jan. 12 by the National Bureau of Casualty and Surety Underwriters is for property damage.

Attendance records broken at **Memphis fire department conference**.

Important meetings are being held this week in New York regarding the new equity rating plan for **boiler and machinery business**.

Plate glass rates are raised in many territories.

Credit insurance shows good gain, outlook excellent for 1942.

Complaint has been entered by a Buffalo agent against the practice of selling automobile insurance to employees in industrial plants on **payroll deduction basis**.

Record year for accident and health insurance in 1942 predicted by J. W. Scherr, president Inter-Ocean Casualty.

Wisconsin supreme court decides that Commissioner **Duel** correctly denied a license to **State Farm Mutual Automobile**.

Elevator Loss at Superior May Cost \$1,500,000

The first loss of 1942 of catastrophe proportions occurred at Superior, Wis., when fire and explosion attacked grain elevator X of the Great Northern railroad. If the loss proves to be total, it will cost the Underwriters' Grain Association about \$1,500,000. It is the first loss of the Grain Association exceeding \$1,000,000 since May, 1939, when the big Calumet Elevator fire occurred in Chicago.

Elevator X was a frame house, perhaps 50 years old and valued at about \$200,000. It was in good condition and had been inspected just two days before the fire by E. E. Youngren of the Grain Association. As a matter of fact, Mr. Youngren was still in the neighborhood. He was summoned early Saturday morning from his hotel room in Duluth and went to the scene while the fire was still raging. At the last report there were more than 1,000,000 bushels of grain in the house which had a capacity of 1,500,000 bushels. About half of the grain stored there was corn and that makes the salvage outlook appear rather dismal, as corn burns like tinder. There were about 200,000 bushels of wheat and the rest was rye, flax and barley.

A small explosion was heard just a little past midnight Friday and this was followed by a severe explosion that was heard throughout Superior. The sprinkler system was immediately put out of commission. The fire was still burning Monday. The report is that grain was being turned in the house at the time of the explosion.

There was \$100,000 U. & O. insurance, which, however, covered blanket on two elevators, so that the maximum U. & O. loss is not more than about \$50,000.

Western Adjustment and Underwriters Adjusting are jointly handling the loss.

The fire is supposed to have started by the breaking of a bucket in elevator leg No. 3. The broken bucket fell on an electric light bulb which broke and caused a minor explosion. That in turn set off the big explosion.

Philippine General Agency Offices in Manila Bombed

NEW YORK—The offices of E. E. Elser, Inc., Manila, have been bombed, according to word received by American Foreign Insurance Association here. The Elser company is the general agency of the association in the Philippines. According to the report there were no staff casualties and new headquarters were established at the home of Thomas M. Jordan, vice-president and a director of the agency. Offices of the firm were located in the port area, which was heavily bombed by the Japanese.

Word was received by the association from Anthony G. Muldoon, supervisor of the association for the Philippines, who had headquarters with the Elser company. Mr. Muldoon was recently transferred from Tientsin, China, to Manila.

The Elser agency is one of the leading insurance firms in the Philippines. A correspondent of the Board of Underwriters, it acts as claim agent for many U. S. companies. At the time of the bombing, E. E. Elser, the founder and president of the agency, was in Los Angeles with Mrs. Elser.

Sesquicentennial Congratulations

Governor James of Pennsylvania has sent a congratulatory letter to John A. Diemand, president of the North America, on the occasion of its 150th anniversary. Among others from whom messages have been received are Robert P. Barbour, president of the National Board, and C. W. Fairchild, general manager Association of Casualty & Surety Executives.

More Emphasis on Anti-Trust in Latest Mo. Move

JEFFERSON CITY, MO.—Attorney-general McKittrick gave new emphasis to his ouster suit against the 123 companies involved in the Missouri rate case when, last week, he asked the supreme court to order a number of fire company executives and bureau managers to come to Jefferson City to testify. Hearing of the petition was set for Jan. 26.

Heretofore McKittrick has been taking the hearings to the witnesses in New York City and in Chicago, but on several occasions expressed dissatisfaction with the testimony and asserted he would take them to Missouri. The implication is, of course, that he can get from them here more the type of answer he wants. If the petition is granted, hearings would continue here.

Witnesses McKittrick Wants

In his petition McKittrick asked for the appearance of C. F. Thomas, manager Western Underwriters Association; G. N. Porter, manager Western Sprinkled Risk Association; R. D. Hobbs, manager Western Actuarial Bureau; H. L. Grider, manager, Western Factory Association; S. M. Buck, vice-president Great American and former president Western Underwriters Association; J. C. Harding, vice-president Springfield Fire & Marine and chairman Western Underwriters Association governing committee; E. A. Henne, vice-president America Fore and chairman Subscribers Actuarial Committee; W. P. Robertson, formerly vice-president North America at Chicago but now Pacific Coast manager for that company; H. A. Clark, vice-president Firemen's and president Western Insurance Bureau; C. H. Smith, associate western manager Hartford Fire and president Western Underwriters Association; and George H. Bell, retired manager National Fire.

The petition charges that the Subscribers Actuarial Committee controls all litigation and determines rates, rules and forms in 18 midwest states, including Missouri, for fire, lightning, hail and windstorm coverages. It further alleges that the committee acts through the Western Underwriters Association and the Western Insurance Bureau. The W. U. A. and W. I. B. fix commissions. The W. U. A. governing committee levies fines on members that don't follow approved rates, forms and rules.

The insurance business in the middle western states, including Missouri, "is dominated by a few representatives of the larger companies," the petition charges. "Representatives" named are Mr. Harding, Mr. Clark, Mr. Bell, Mr. Buck, Smith, Henne and W. N. Achenbach, western manager Aetna Fire.

McKittrick charges in his petition that the procedure of rate making by the Subscribers Actuarial Committee is for Mr. Hobbs, its secretary, to send proposed changes to the W. U. A. and W. I. B. If they approve, changes are forwarded to state inspection bureaus which put them into effect with the approval of state insurance departments where required by law.

The various organizations he names, he alleges, form a "pool, trust, and combination to fix and maintain identical rates for insuring property in Missouri against loss by fire. The Insurance Executives Association binds the various regional governing associations like the W. U. A. and W. I. B. together.

Western Factory Association employs rates necessary to meet mutual and reciprocal competition, the petition alleges. This association, with the Oil Insurance Association, Underwriters Grain Association and Western Sprinkled Risk Association, were organized "to prevent competition among the respondents and to restrain trade."

The court can order the witnesses to

Herd Terminates Fire Association Connection



J. VICTOR HERD

The directors of Fire Association, at their January meeting, accepted with regret the resignation of J. Victor Herd as director, vice-president and secretary.

Lively speculation is heard in fire circles as to the future of Mr. Herd. He was in the Ohio field as special agent for Niagara years ago when called by O. E. Lane, then president of the company, to assume a head office position. When Niagara was purchased by Continental in 1929, Mr. Herd joined the latter company, shortly thereafter, being induced by Mr. Lane to join him as an executive of Fire Association, of which Mr. Lane meantime had become president. Mr. Herd is held to be an able underwriter with a particular knowledge of use and occupancy and other intricate forms of coverage.

Mr. Herd intends to take a vacation for a few months before making future plans.

Kenneth B. Hatch, vice-president and director of Fire Association, will take the place of Mr. Herd in the work of Fire Association, it is announced.

Aero Underwriters Takes Larger Quarters at 111 John

NEW YORK—Aero Insurance Underwriters, Inc., is moving from 59 John street to larger quarters at 111 John street and will be open for business at the new location Monday. At the same time operations of the eastern branch office, which handles all risks emanating from the eastern states, will be segregated from those of the home office. Though located on the same floor as the home office the branch will operate as a separate unit, under the direction of C. A. Sanford. Aero also maintains branch and service offices in Chicago, Kansas City, Los Angeles, Atlanta, Boston, Dallas, San Francisco and Montreal, all of these offices being in direct connection with the home office by teletype.

The move to 111 John street comes in the year of the organization's 20th anniversary. Barber & Baldwin, Inc., as it was known in its earlier years, was the first aviation underwriter in the United States.

Aero is holding a housewarming this week in its new quarters.

Missouri if they are "agents," and McKittrick urges that they are in his petition.

T. Alfred Fleming of the National Board spoke at a meeting of the Insurance Women's Association of Sioux City, Ia. Miss Lillian Ames presided. Mr. Fleming discussed the possibility of bombings in the middle west, and urged general participation in civilian defense activities. City officials were guests.

Essential Role of Fire Service Is Stressed at Big Memphis Parley

MEMPHIS — The important part which the fire service is playing in the nation's civil defense program was aptly demonstrated here at the annual Fire Department Instructors Conference sponsored by the Western Actuarial Bureau. The attendance of 360 broke the previous record by 100. Many high spots marked the four day program efficiently directed by R. E. Vernor, H. K. Rogers and J. Burr Taylor of the Western Actuarial Bureau's fire prevention department. The necessity of loyal cooperation between military and civil defense workers was stressed by Col. Louis P. Ford, acting chief of staff central defense command. Military men can't be expected to assume all responsibility and the fire service is expected to assume an important role in the civil defense set-up, he declared.

State Defense Units Discovered

Plans for efficient state defense councils were formulated at a special round table conference directed by A. C. Hudson, secretary New Hampshire Board of Underwriters, and Horatio Bond, chief engineer National Fire Protection Association.

Defense against incendiary bombs' attacks was covered by Mayor H. R. Brayton, chemical warfare school, Edgewood Arsenal, Md., who formerly directed the Texas firemen's school. Incendiary bombs do not explode but burn quietly for from 10 to 20 minutes. They can penetrate ordinary roofs and may go through the ceiling below. For this reason it is necessary to remove rubbish and inflammable materials from attics and to provide for emergency entry in cases where there are no stairs. Metal containers in which to place bombs should be available for instant use. Water should be sprayed on and around bombs but solid streams of water should be avoided as they cause explosions. Bombs can be covered effectively by sand when water is not available.

Men Must Be Available

In discussing the selection and training of fire department auxiliaries, Mr. Hudson and E. T. Cox, instructor Indiana Inspection Bureau, stressed the necessity of recruiting men readily available in case of air raids. Fire chiefs should assign special instructors for training auxiliaries.

The need for better safety practices was stressed by G. S. Lockhart, Minneapolis battalion chief, who declared sliding poles in fire houses are antiquated as they cause too many accidents. Ramps are more efficient. Street collisions can be avoided by more careful routing of apparatus.

Major Brayton staged a demonstration with dummy houses to show how attic trash and rubbish helps spread incendiary bomb fires and the effect of various extinguishing agents. In another demonstration the major set up a central control staff on the platform and had several air raid wardens in various sections of the hall. Then he read hypothetical incidents over a loud speaker and the wardens and control staff acted out what they should do under the circumstances.

Emergency Water Supplies

To provide emergency water supplies, Sanford Herberg, engineer Fire Underwriters Inspection Bureau, Minneapolis, advised water-proofing basements of abandoned buildings which can be filled with water. Natural depressions, cisterns and streams can be utilized but it is important to make provision in advance for access to these sources by pumpers.

In considering emergency communications, it was pointed out that although the normal electric service may be curtailed in case of an air raid it can be presumed that a large part of the telephone service will be available as well

as police and fire systems which are usually underground. Broadcasting will not be permitted.

Methods by which ordinary trucks can be converted for fire service use were described by A. H. Gent, associate engineer fire prevention office Quartermaster General, formerly with the Illinois Inspection Bureau. Gasoline pumps and hose can be mounted on trucks in a hurry, which is the essential thing. He described the trailer units used in England but cautioned against tipping them over.

In training civilians it is important to select subject matter and instructors carefully, Lloyd Layman, Parkersburg, W. Va., fire chief, pointed out.

Deplores Large Fires

The great fire loss in national defense plants in 1941 was deplored by C. S. Morgan, National Fire Protection Association engineer. Last year there were 43 fire losses of \$250,000 or more, 11 more than in 1940 and 13 more than the five year average. More attention must be paid to fire hazards in plants accustomed to operating eight hours a day which are now on a 24 hour basis, multiplying process hazards three-fold. Green help, poor house-keeping and continuous production schedules aggravate the situation.

Mr. Morgan cited numerous incidents of carelessness and lack of judgment and foresight which were responsible for the huge 1941 losses. At the \$14,000,000 Fall River fire a watchman shut off the sprinkler system 15 minutes after the fire started in order to prevent water damage and it was not turned on again for 15 or 20 minutes. Army inspectors a few days before the fire had reported that fire doors were blocked and expressed doubt over the efficiency of the old sprinkler system. There was lack of coordination among the fire departments which responded from 50 towns. With unlimited water supply and apparatus, it was unexcusable that the fire should have spread across a 100 foot opening to where the rubber was stored.

Loss Causing Factors

The most frequent factors involved in the large 1941 losses, according to Mr. Morgan, were inferior construction and excessive unprotected areas. Excessive amounts of combustible stocks were subject to one fire, especially at Fall River where one tenth of the government owned rubber was stored. He condemned the failure to subdivide both building areas and stocks of material. There was a decided lack of adequate private protection and there were several cases of unexcusable delays in turning in fire alarms.

In most cases the cause of the fire is not as significant as the cause which allows small fires to become big ones. Although precautions against saboteurs and incendiary bombs have a popular appeal, it is more important that steps be taken to prevent ordinary fire losses, Mr. Morgan declared.

War Gases Considered

Types of war gases and the principal kinds that may be used were analyzed by Lt. Col. T. H. Murphy, chemical officer Second Army, Memphis. Problems of mutual aid were analyzed by Chief J. W. Just, Maryland fire coordinator, University of Maryland. A novel first aid blackout stunt was staged by the Sebring, O., junior fire department. The auditorium was darkened and without aid of any light, victims selected from the audience were bandaged and rendered first aid service.

In a discussion of fire prevention records, George Tatnall, National Board engineer, pointed out the desirability of city fire departments rechecking hazards in industrial plants which are now manufacturing national defense products with which they are not familiar.

Farm Association at Annual Parley Ponders Effect of War; Carter President



R. W. CARTER
New President



F. H. CORNELL
Retiring President

Rush W. Carter, assistant manager and head of the farm department of Aetna Fire in the west, was elected president of the Farm Underwriters Association at the annual meeting in Chicago, Tuesday. He takes the place of F. H. Cornell, head of the farm department of Home. The new vice-president is S. H. Quackenbush, first assistant western manager of Crum & Forster. E. H. Born, assistant manager of the Western Underwriters Association, was re-elected secretary.

Mr. Cornell, in his presidential talk, estimated that the premium income during 1940 was 10 percent ahead of the year before and that the loss ratio was at least 10 points better. He said that the good results are attributable mainly to good crops and good prices. He observed that in such times the underwriting pendulum swings to the profit side whereas in times of financial stress and discouragement to the loss side.

Compares War Conditions

He compared present day conditions with those that prevailed during the last war. The gross income from farm production in 1916 was \$9,000,000,000, in 1940 it was \$9,121,000,000, in 1917, \$14,000,000,000 and in 1941, \$11,600,000,000. The estimate for 1942 is about \$13,500,000,000.

"We seem to be following the pattern of these earlier years and by the same token may expect the same general underwriting results," he said.

He suggested that the companies

should prepare so far as possible for the aftermath. However, he expressed the fear that little could be done. A property owner cannot be denied protection comparable to the value of his property and a downward revision of liability as values decrease would require a resurvey of all business on the books. The one hope is that land speculation will not go to the lengths it attained prior to 1920 and for which the bankruptcy of thousands of farmers was responsible. Also it is to be hoped that the banking situation is more stable so that the loss of deposits will not cripple the farmers, Mr. Cornell remarked in his message.

Contribution to War

As their contribution to the war, farm insurers, he said, can put a little more thought and energy in their work, be more saving of time and material, more helpful and cooperative with their associates. The principal objective is to provide protection for the nation's breadbasket, protection of the individual farmer and education of the public along fire prevention lines. It is a more worthy and commendable deed to prevent the burning of a home with its cherished contents or a barn with live stock, grain and machinery than to pay the insurance loss. Agents and field men should be encouraged and instructed to enlarge their fire prevention activities. Promotion of this work rests largely with the public relations committee.

National Fire Plugs Four Related Lines to Agents

In view of national income greater than the 1929 peak, the National Fire group has gotten out a campaign to be conducted by agents on four related lines, dwelling contents, additional living expenses and rental value coverages, and rents insurance. Because money is easy, this is a good time to sell these lines, the company points out to agents. Contents, both in apartments and residences, often are uninsured. With rents going up and space at a premium, the need for additional living expense or rental value insurance is obvious and the line can be sold readily. Of course, present conditions give rents insurance a great appeal for the owner.

With the bulletin to agents the National Fire group includes sources of mailing lists other than agents' clients, such as city directories and public assessment records, along with direct mail folders.

Fall River Loss Caused by Spontaneous Ignition

BOSTON—The October fire at the plant of the Firestone Rubber & Latex Co. in Fall River, which caused a loss of \$15,000,000 to the plant and government-owned rubber, was caused by spontaneous ignition of the rubber material being dried in one of the Firestone ovens, reports Fire Marshal Stephen C. Garrity, Massachusetts.

Mr. Garrity, who has been making a thorough investigation, states: "I find the fire originated in Building No. 5 B dryer, located on the third floor, and that it was caused by spontaneous ignition."

Excelsior Holds Housewarming

Several hundred were guests at the official opening of the new home office of Excelsior of Syracuse. Refreshments were served in the newly appointed directors' room, which was illuminated by candle light.

SALES TONIC

There's new sales tonic heading your way . . . a healthy kit of selling helps to boost January-February Personal insurance business for every Alliance Agent.

This kit is a brand-new idea. A new one will come along at regular intervals as part of a Seasonal Selling Campaign. It's just the right medicine to make sales bloom and profits flourish. It hitches your bank account to the golden star of less sales-resistance.

Alliance Agents will sell more insurance and make greater profits in 1942. If you haven't heard the story of the new Alliance Campaign, by all means for your own profit, ask for full details.



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

1600 Arch Street

Philadelphia

Service Offices located in principal cities. Complete nation-wide insurance facilities for Agents and Brokers.

Viehmann Describes Agency Laws to East Chicago Board

Insurance Commissioner F. J. Viehmann of Indiana was the featured speaker at a special dinner of the East Chicago board in Whiting Tuesday night. About 60 men and women attended, mostly members of the lecture course which the board recently completed at Calumet Center extension division of Indiana University. J. W. Spurgeon, supervisor of licenses, and A. A. Shepler, examiner, were also present from the department.

Emphasizes Insurance Growth

Mr. Viehmann reviewed the high points of the Indiana insurance laws, emphasizing the tremendous growth of insurance in Indiana since the department was established in 1919. He pointed out that, for example, the funds on deposit with the department increased from \$230,000 in 1919 to \$219,000,000 last year. The department collected \$2,434,000 in taxes and fees last year and incurred expenses of only \$68,000, which includes expenses of the Workmen's Compensation Bureau. In 1924, the first year complete reports were made expenses were \$65,000, showing that the expense has not increased proportionately to the expansion of insurance and the department's duties.

Hope for School Plan

Discussing the license requirements, Mr. Viehmann said that he is working out an arrangement with Indiana University whereby students who pass the insurance course may be licensed as agents without examination within two years. He hopes to effect a similar arrangement at Calumet Center.

Mr. Spurgeon said that the examination requirement has resulted in about 50 percent of the applicants either failing or withdrawing their applications. The requirement was established last fall, under the authority of the 1935 insurance code. He said questions are selected from a master list of 500, the same for agents, solicitors and brokers. Agents seeking to be licensed only for a fire company or an automobile company are examined only on the lines which these companies are chartered to write, plus general questions on the Indiana agency laws. Examinations are held every Thursday at Indianapolis and every four weeks at 16 points in the state, including Calumet Center.

Part Time Agents

Applicants who are employed in other work, Mr. Spurgeon said, are licensed only if the employer will agree in writing that the applicant may answer telephone calls and leave his work to serve his insurance clients. This has materially cut down the number of new part time agents and solicitors.

Messrs. Spurgeon and Viehmann answered a number of questions from the floor and told several humorous incidents involving the examinations. Mr. Viehmann told a questioner that an examination is not required of a person now in the business, as long as he renews his license continuously, but the department may investigate a person's qualifications any time a complaint is made and revoke his license if incompetency is shown. He also said that non-resident brokers are not required to take an examination, but must present evidence that they are qualified in their home states.

Plan New Course

H. W. Norman, executive secretary of the Indiana University extension division at Calumet Center, was toastmaster. He complimented the East Chicago board on the caliber of the lecture course and on the remarkable enrollment and persistency. He said that plans are under way for a full credit course next fall and urged the members to back it.

J. J. Block and A. E. Lewis, members

of the executive committee, who planned the East Chicago board course, were introduced. Lecturers in the course who were guests were H. R. Thiemeyer, Chicago, field superintendent North America; R. D. Hodson, Chicago, field supervisor Aetna Casualty; P. J. Girard, Chicago, manager burglary department Hartford Accident, and J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER.

Mr. Norman announced that the district meeting of the Indiana Association of Insurance Agents has been tentatively set for Feb. 19 at Calumet Center.

New Officers Installed by San Diego Exchange

SAN DIEGO, CAL.—The San Diego Insurance Exchange installed these new officers: President, R. Victor Venberg; vice-president, Ralph Hurlburt; secretary-treasurer, Ted Stark; directors, Chester Munson, C. Bach, Ralph Corbett.

W. H. Menn, Los Angeles, past president National Association of Insurance Agents, was the principal speaker. Lloyd C. Carleton, Fireman's Fund Indemnity, Los Angeles, lectured on "Burglary In-

surance" at the class conducted by the Casualty & Surety Fieldmen's Association of the Pacific Southwest.

Blanchard at Fenn College

Dr. Ralph H. Blanchard, insurance professor at Columbia University and president of the Casualty Actuarial Society, will be the first speaker at Fenn College, Cleveland, under the new lectureship in insurance. He will speak Jan. 19 on "Insurance and Government." The lectureship is made possible by a gift from Clayton G. Hale of the Hale & Hale agency of Cleveland.



To you . . . our sincere good wishes. Now, more than ever before, old friends must hold together and work together. Though we must all make immeasurable sacrifice, we hope that yours will not be too great . . . that you may still have your share of comfort and progress in 1942.

Agricultural
Insurance Company
of Worcester, Mass.



Empire State
Insurance Company
of Worcester, Mass.

Extend Examination Debate

Give Gough's Critique of Holmes' Blast at Audit Costs and Montanan's Picturesque Reply

The address of Commissioner Holmes of Montana at the recent New York meeting of the state officials, in which he pungently attacked the payment of high fees to examiners conducting company examinations impelled Deputy Commissioner Gough of New Jersey to compose a reply. Mr. Holmes is releasing the correspondence, "to further bring out into light the fact that the cost of insurance company examinations is a subject of no mean importance and that it is incumbent upon all concerned with the subject to go into the matter and cut down such costs."

"Mr. Gough's letter, as I attempted to point out in my reply to Mr. Gough," Mr. Holmes states, "is typical of the position that some take re examinations costs. The answer to the problem, apparently, is one which cannot be definitely given. Apparently there are two thoughts in the minds of state supervisory officials re this subject. One school of thought, apparently, is founded on the principle that insurance companies are wealthy institutions, and get some of the wealth by any means which will accomplish the purpose. The other school of thought is that the business of insurance is an American business institution and that all activity in relation to the business should be conducted on strict business principles. Overhead costs of a business are, of course, of prime importance and where all activities in relation to a business are conducted on business principles, the activities must, of necessity, be conducted in relation to the cost factor involved in the activity."

Held His Fire at Time

From Mr. Gough to Mr. Holmes:
"In an entirely friendly way, I want to express to you some views with respect to the paper you read at our recent meeting in New York City.

"I was prompted to respond at the time but refrained from so doing out of respect for the patience of the several Commissioners and many outsiders who heard me express myself at the meeting of the examination committee the previous afternoon, as also at the meeting of the same committee in Detroit last June. Besides, I firmly believe that matters strictly concerned with departmental procedure should not be discussed in public, but only among members of the official families in executive sessions, as otherwise the very purpose of our association is destroyed.

"I was greatly amused with the humorous overture to the prepared address and impressed with the seriousness of its peroration, but with the main paper I was and am in total disagreement.

Charges Lack of Frankness

"In the first place, the prepared paper did not impress me favorably for the reason that it lacked the essential elements of frankness and sincerity and I am sure other commissioners and company representatives there present felt the same. It would have been better received, I am sure, if it had contained an admission that the state of Montana had been a fruitful participant in the alleged evil practice which you were condemning—that Montana had regularly represented its zone in convention examinations of 26 companies domiciled in 14 states from 1936 to this present year of 1941, including the companies in New Jersey down to August, 1941, and also that on all of these examinations the Montana examiners charged and collected under your authorization compensation at the rate of \$25 per day and subsistence at whatever the prevailing rate may have been. In New Jersey it was \$8 per day. These charges are correct as to New Jersey and I believe as to the other states where Montana and New Jersey examiners were engaged, and I therefore assume it to be the same

as to all other states. Could it have been that we were to have assumed that the story of the good father was intended as indicating that you were really repentant and had been converted? If so, it failed to register and as we were not converted by you, I for one refuse the alternative you offered.

"Salary or wages, John, are simply a measured value of services. Because the people of the state of Montana, through their representatives in the legislature, value the services of their governor at but \$7,500 per year, is no reason why the people of New Jersey should change the value they have placed upon the services of their governor from \$20,000 to \$7,500. This, likewise, applies to the value of services of other public employees, including that of insurance examiners, which in this state range from \$1,800 per annum for juniors to \$7,500 per annum for the chief examiner.

Deficiencies Not Common

"The examiners sent out by this department on convention examinations to represent zone 1 have all been civil service men in the upper grades in the exclusive employ of this department and each man capable of handling and directing the work of the particular examination to which he was assigned. To assign any less qualified man would be dishonest and an injustice not only to the company to be examined, but likewise to the other states comprising this zone. If any such practices as charged in your paper exist, the responsibility should be placed upon the home examiner in charge of the examination, who is either incapable of handling the proper distribution of the work or failed to report the case to his commissioner for suitable action. In New Jersey the work of a clerical character is performed by our own lower grade men, much of which is done before the arrival of the other state men, who then take up the more important portions of the work. The conditions criticized by you in your paper, if they do exist, I am sure are the exceptions and not the rule and therefore it seems to me that your paper would have been more effective if it had so recognized instead of blasting the whole structure because of some isolated instances.

"If my memory serves me correctly, you made two inconsistent proposals as to compensation of the convention examiners, the one a pro rata of the examiner's regular compensation at home and the other a flat uniform rate of \$15 per day. To the latter rate I am unalterably opposed, for the reason that it is less than the regular salaries of the principal New Jersey men assigned to convention examinations, but more important still because it would undoubtedly result in the examination work being performed by men in the lower grade and which would destroy general confidence in the value of the work.

"I would be favorable to the suggested pro rata compensation provided it was in each case increased about 20 percent to compensate for the additional responsibility upon an examiner on convention examinations where he represents eight states instead of one and where he must assume sole responsibility without any assistance or direction from a superior. This requires men of outstanding ability and they should be properly compensated. I believe, however, that this arrangement would not prove satisfactory but would cause embarrassing situations, which would no doubt produce unsatisfactory results.

Problem One of Honesty

"In the final analysis, I am satisfied that the problem, if such it can be called, is purely one of honesty upon the part of the responsible parties, namely, the commissioners making the assign-

ments. If this responsibility were fully recognized by the appointment of none but trained, competent men, there would be no problem and the payment of an adequate, uniform compensation based upon the character and the importance of the work could be fully justified, regardless of individual or sectional differences as to the value of these services.

"The enclosed ditty is a contribution of one of my men. Take it for what it is worth. I am not passing judgment on it."

Oh, send back that Holmes

To the range that he roams

While he stews about other men's pay;

Where seldom is heard

An intelligent word

And the Gov. gets ten bucks a day.

From Holmes to Gough

From Mr. Holmes to Mr. Gough:

"Yours of Dec. 30, re my public appearance before the recent meeting in New York, proved one of the thoughts I sought to impart in the paper now under criticism, i.e.,

"The question of examination costs * * * has inevitably been overshadowed by the individual members of the association strictly adhering to that time honored ideology of states' rights * * *."

"In your communication you seek to impress upon me that your department's examiners are of the class that should be paid the sums now charged by insurance company examiners. This is the advocacy which prompted me to point out that individual states were wont to preserve their state's rights. It was this which prompted my open utterance of my thoughts on this subject.

Gets Down to Fundamentals

"You seek to justify your position on the basis of your men being 'civil service' men and experts in their line. Now, Chris, let's quit deluding ourselves and get down to fundamentals in this matter. Let us be frank and admit that you and all the rest of us who are so 'doubled up under the burden of state supervisory duties' are in our jobs because we played the game of politics wisely. We are happenstans—political opportunists—so to speak.

"Chris, your communication brands you a politician of the first water. Your words.

"Besides, I firmly believe that matters strictly concerned with departmental procedure should not be discussed in public, but only among members of the official families in executive sessions * * * is the language of an expert politician, one well versed in the political ideology of 'Fool the public—they like it. Don't tell your constituents the truth about anything. Truths must be whispered among those on the in.'

"The public abhors whispering politicians. The public, of right, is entitled to know what their representatives, in assembly, are talking about, re matters relating to public office administration.

Recalls the Expense Account

"The representatives of the various states who assembled in the New York meeting were sent there by the citizens of their respective commonwealths. I dare say that the first official act of all, like myself, when they returned to their respective offices, was to file their expense claim, charging their taxpayers for the cost of their attendance at the New York meeting. The citizens of the various states sent their insurance commissioners to a national meeting; they nominated them as their representatives in that meeting. For what? To hold whispered consultations behind closed doors? No, Chris, we have had too much of the whispering politician. That is what is wrong with the world today—too much behind the door dealing—not enough of out in the open public administration.

"If 'my audacity,' in bringing out into the open a topic which 'should not be discussed in public,' has caused political office holders concern, then I have served my people well and have given them some hope that the whispering

Plant Protection Work of Insurers Clarified



HAROLD V. SMITH

In THE NATIONAL UNDERWRITER of Dec. 18 appeared an article that was captioned "Insurance Does Vital Government Service in War" which proved to be misleading to some readers.

The article was prepared, after the outbreak of the war, to sketch what organized services the insurance companies are performing in the way of inspecting war time industries, etc., and to review what services along this line were performed in the last war. Some readers apparently felt that the story constituted a report of some change that had just been made in the setup of the Insurance Committee for the Protection of American Industrial Plants of which Harold V. Smith, president of Home, is chairman. As a matter of fact, there had been no such change. Some readers drew the inference that there had been a change in the operation of the committee and that the National Bureau for Industrial Protection performed certain functions under some new arrangement or other.

The National Bureau for Industrial Protection is the name given about a year ago to an office operated by the Insurance Committee for the Protection of American Industrial Plants in Washington. That bureau is under the complete direction and supervision of the Insurance Committee for the Protection of American Industrial Plants. It constitutes an operating office of the committee and it is in no sense a separate organization or undertaking.

politician is on the way out and that a new era of public administration is in the offing. They will have hopes that the political star chamber session is passe and that they, the ones who pay the bills, will be given some incite into the truth of public office administration.

"Why should the question of cost of insurance company examinations be one of secret session? Is it a fact, as I suggested, that the whole matter is one of political intrigue? Is it a fact that the business of insurance is the victim of political badality? If the subject cannot be discussed in public, then there must be something rotten in Denmark and it's about time that the lid comes off and the whole putrid mess be given an airing.

Cites Close of Speech

"I closed my paper by stating,

"If state supervision of insurance companies and the business of insurance is to long endure and receive the modicum of respectability to which it is, of right, entitled, the members of this convention, either as a unit or through their individual efforts, must immediately purge the system of examination of all that taints of politics, sharp practices and chicanery and put examina-

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tions in step with the business of insurance and leave no doubt in the minds of company executives, policyholders and the public in general that an insurance company examination is for the purpose of proving the financial worth of the company and not merely a vehicle to create executive salaries for a favored few.

"This I reiterate; unfortunately, however, there are apparently some who would go on record to hold that this thought 'should not be discussed in public but only among members of the official families in executive sessions,' or, in other words, that neither company executives, policyholders nor the public in general should be given information on a condition which can only be discussed in secret sessions and which, in the end, will seriously undermine, if not destroy, state supervision of insurance companies.

Wise Words of Grandmother

"Chris, my grandmother often said: 'Wise men change their minds—fools never do.' This is the obvious answer to your question:

"Could it have been that we were to assume that the story of the good father was intended as indicating that you were really repentant and had been converted * * * ?"

"In my paper, I stated:

"During the past nine years, I have observed this business of insurance company examinations * * * thus indicating that I had finally reached a point where I felt capable of making an open discussion of the subject. I used the words, 'this business' after careful and prudent consideration. They were intended to convey the thought of disgust and a suspicion that 'banditry and political intrigue' were being practiced upon an American business institution to the detriment of the unknowing policy purchaser who, in the end, paid the bill.

Eating Roman Candles

"Yes, it is true that sixth zone representatives have moved into examinations under Montana appointments and claimed the fees laid by other state representatives who were well versed in the art now being attacked. It was these contacts with examinations which brought to my attention the inequity of the practice complained of. I have first hand information of and concerning the subject. I also know that the sixth zone representatives, out of Montana, were in the position of being forced into an application of the old adage of:

"When you are with the Romans, do as the Romans do."

"The fact that they did as the Romans did does not justify a continuation of the practice.

"It was because of the inadequacy of Montana laws that I took the question before the New York meeting. I brought it out into the open, hoping that all states would settle down into a serious consideration of the subjects and that when the western representatives were forced to 'do as the Romans do,' they would be acting in a fair, just and equitable manner, by virtue of a uniform procedure established under the rules of the National Association of Insurance Commissioners. Your communication, however, plainly indicates that the ideology of state's right is to be the order of the day and that little or no consideration of the subject will come from the convention.

Civil Service

"Your communication is interesting insofar as it applies to civil service men. It clearly points out that the business of public office administration is being taken over by career men. This has been the weakness of the so-called civil service. The chief of the office is a mere political figurehead. The boys who run the show are those who have dug in under the guise of a civil service rating. In other words, your communication raises the question, insofar as civil service is concerned, Does the dog wag the tail or does the tail wag the dog? All of which goes to the point—Has the complained of practice been established by those who have dug in and

that they, from what they consider their bomb proof will level their attack against any who would be so brazen as to question the practice established by them.

"I have often noted that representatives assembled in meeting often lose the full import of transactions occurring in the meeting and let their imaginations fill in the gaps left by misunderstanding, inattention, etc., etc. When you declare that you are 'inalterably opposed' to what you declare to be 'two inconsistent proposals as to compensation of the convention examiners.' I am

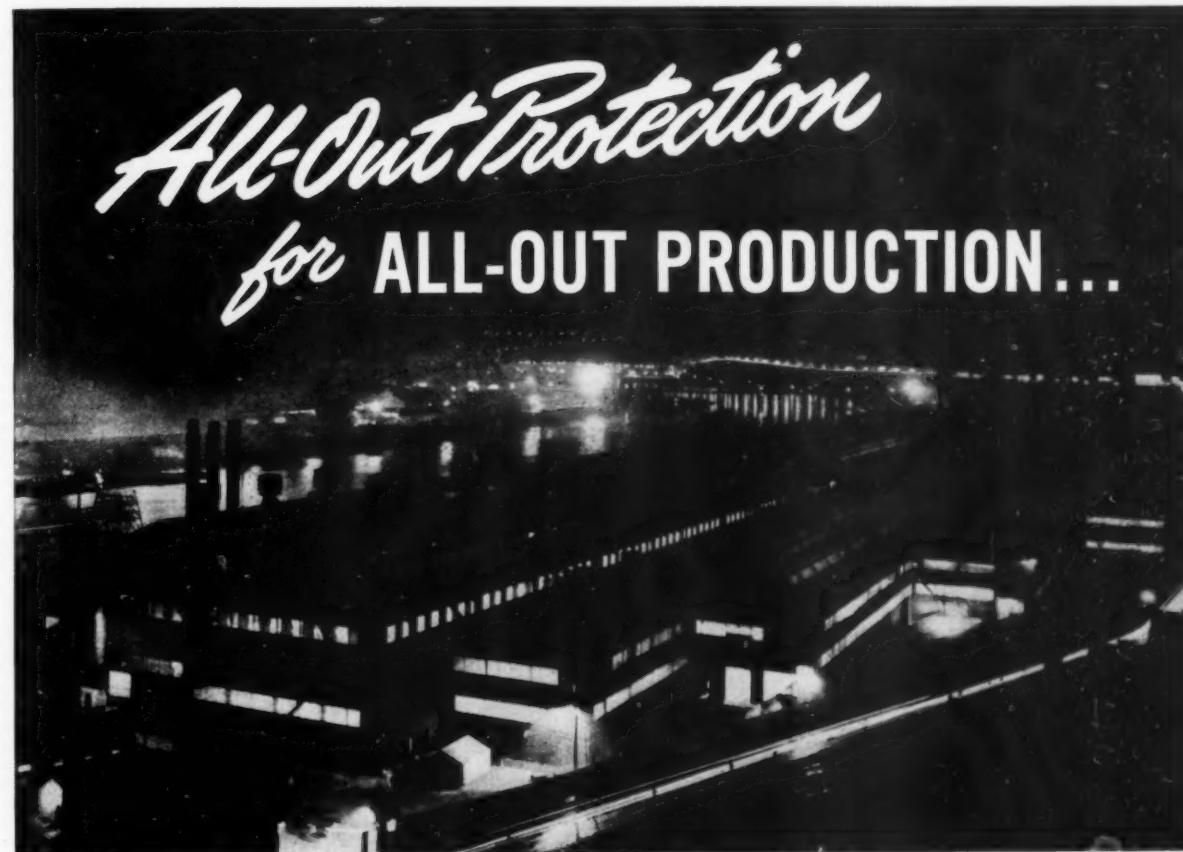
reminded of the American slang phrase, 'Were you there, Charlie?' I made no such proposals as your imaginative mind has conjured. I stated:

"I am of the opinion that an insurance company examiner who cannot qualify as an expert in the subject of his task of examination, be that actuarial determination or investment valuations, should receive no greater amount for his efforts than the amount he would receive as an employee of the department being represented in the examination."

"If the state of New Jersey pays salaries ranging from \$1,800 to \$7,500 to its

examining staff, then, according to my thought, above quoted, its examiners would receive the same pay while on company examination. I am of the opinion we meet on common ground in this matter, except that I should have whispered the thought rather than to have had the 'audacity' to utter it in public.

"Your reference to a flat \$15 per day scale makes me wonder if those of the eastern seaboard understand the English language. Read paragraph 3, page 8 and paragraphs 1 and 2, page 9 of my paper and then tell me you are sorry



With the *increased fire hazards* resulting from production speed-ups...with the ever-present threat of *sabotage*...protection that "got by" in normal times may prove woefully inadequate today. Present conditions demand all-out protection measures to safeguard against *needless production stoppages* through fire.

Even protection that includes watchmen, sprinklers, fireproof construction...does not meet today's requirements unless provisions also are made for detecting and reporting fire *automatically*. For only by automatic* means can there be the best possible assurance that fire will be discovered and the alarm transmitted in those *vital first few minutes* that may mean the difference between an incident and a disaster.

★ ★ ★

**A.D.T. Sprinkler Supervisory and Waterflow Alarm Service:* Summons the fire department automatically the instant a sprinkler head opens. Automatically detects and reports trouble conditions (whether caused by accident or sabotage) that might impair the sprinkler's effectiveness. *Aero Automatic Fire Alarm:* (for unsprinklered properties, areas where sprinklers are impracticable, or in conjunction with sprinklers). Automatically detects fire when it starts, and summons the fire department automatically.

FOR ALL-OUT PROTECTION

A.D.T. provides the following Central Station Services:

Sprinkler Supervisory and Waterflow Alarm
Aero Automatic Fire Alarm
Watchman Supervisory Service
Manual Fire Alarms
Burglar Alarms
Holdup Alarms
Invisible Ray Alarms
for Sabotage Protection

Descriptive booklets furnished on request. A.D.T. will be glad to cooperate with you, in confidence and without obligation, in analyzing your clients' fire hazards and preparing suitable protection recommendations. Write A.D.T., 155 Sixth Ave., New York.

A.D.T. ELECTRIC PROTECTION SERVICES

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N.Y.
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



Electric Protection Services
AGAINST FIRE • BURGLARY • HOLDUP
A NATION-WIDE ORGANIZATION

you didn't really understand what was said.

"Chris, I am of the opinion that our minds meet on the fundamentals of the paper; however, I fear that our thoughts on the procedure of bringing the matter to focus may never be reconciled.

"The parody of 'Home on the Range' amused me; however, it brought out into the light that which has long been suspected—the eastern seaboard of the United States has long cherished the thought that it was God's chosen country. Repeatedly, have we in the west been thrown into contact with those entertaining this ideology. They would lead one to believe that all of the knowledge, all of the finesse, all that matters, is wrapped up in the citizens of that sphere. We of the west have long known that those of the eastern seaboard looked upon us as suckers, idiots and imbeciles, to be the dupes of their nefarious schemes.

Sons of Wild Jackasses

"I full well appreciate that western men long have been looked upon as 'The sons of wild jackasses,' to be seen and not heard. In keeping with this thought, it was not until the 11 western states associated themselves together in what is now known as the Western Conference of Insurance Commissioners that the western states, to any great extent, were represented in examinations of eastern insurance companies. As Baby Snooks is wont to say: 'It could be' that the birth of the Western Conference, either directly or indirectly, brought into existence the zone system of examination. Times are changing. What was the practice is not now the practice. Perhaps we had best return to fundamentals on cost of insurance company examination and, upon fundamentals, build up a practice that will not be subject to some of the loose talk we now hear about the subject—a practice which can 'be discussed in public' and need not be discussed 'only among members of the official family in executive sessions.'

"The fact that my paper occasioned you to write a two page letter would seemingly negative the couplet of the parody: 'Where seldom is heard an intelligent word.'

"The paper apparently carried some understandable, intelligent words as would occasion some to go on the defensive.

Completes the Jingle

"Chris, just what are intelligent words?—those spoken in whispered consultation behind closed doors in executive sessions or the same words spoken out in the clear light of the day? My spoken words may not have been intelligent, yet they were surely sufficiently understandable as to give some of the boys an inkling that the west was wise to their game and believed the time had arrived when the whole putrid mess should be dragged out of the 'executive sessions' and given an airing in the open.

"Chris, it is my opinion that the 'jangler' didn't go far enough in his 'jangle.' He should have brought his versing to a complete close, such as:

Oh, send back that Holmes

To the range that he roams
While he stews about other men's pay;
Where seldom is heard
An intelligent word
And the Gov. gets ten bucks a day.

He does not belong,
He'd be lost in the throng.
Jersey swamps give him fever and ague,
Where the pay it is large,
My God, how they do charge
To live there is worse than the plague.

Where seldom is heard
The whirr of a bird,
To make money, alas, is their care.
They have a Gov. to be sure,
On \$20,000 he's poor,
For he's told what to do by a mayor.

Elmer Patrick, Corvallis, Ore., local agent, has purchased the agency there of L. R. McGuinness.

NEWS OF FIELD MEN

S. W. Ross Heads N. Y. Field Group

At the annual meeting of the Underwriters Association of New York State in Syracuse, S. W. Ross, Aetna Fire, was elected president; F. M. Kelley, Home first vice-president; David Davidson, America Fore, second vice-president; L. D. Goulding, Jr., Fireman's Fund, chairman of the executive committee, and Arthur J. Middleton, Arthur Stevens, Carl Benson and R. E. Eisert were elected to serve on the executive committee.

J. R. Ryan, retiring president, recognized the attendance of H. D. Rice, assistant general manager of the New York Fire Insurance Rating Organization; A. L. Ross, secretary of Crum & Forster, Harry Youell, J. C. Evans, R. D. Kelley, H. Morss and G. S. Casterline of the Syracuse division office and L. E. Fermoile of the Rochester division office.

Lawrence Daw, secretary and treasurer, acted in his official capacity again, having been unable to attend last year's meeting, due to illness.

Kansas Field Men Discuss Automobile Situation

TOPEKA—At the meeting of the Kansas Fire Underwriters Association, R. M. Covington, Hartford, chairman automobile committee, and R. B. Lathan, North America, chairman loss committee, called attention to the automobile situation and both recommended that the field men discuss with local agents the matter of guarding against an unfavorable experience. They suggested that each field man stress the importance of the agent, either by conversation or by some form notice, bringing to assured's attention the importance of preserving his car through reducing speed, driving more carefully to avoid collision, putting cars away at night and keeping them securely locked when parked, to avoid theft.

The annual meetings of the Kansas Fire Underwriters Association, Kansas Fire Prevention Association and Kansas Blue Goose were set for May 5-6. As has been the custom for some years the meetings will be held in Wichita, with the Sunflower Blue Goose puddle as host.

A. S. Joy Elected by Special Agents at Seattle Meet

SEATTLE—At the annual meeting of the Special Agents Association of the Pacific Northwest (western Washington division), Anderson S. Joy, Seattle manager Travelers Fire, was elected president to succeed W. C. Carlyon, state agent, Crum & Forster. J. M. Kellum, California-Commercial Union group, was named vice-president; and H. H. Bartlett, St. Paul group, secretary-treasurer.

President Carlyon reported on the year's activities, recommending consolidation of several standing committees. Principal discussion centered on the activities of field men during the war emergency, dealing with inspection of industrial plants and various risks exposed to fire loss.

At the dinner guests included Commissioner Sullivan, John F. Sullivan, assistant commissioner; J. K. Woolley, manager Washington Surveying & Rating Bureau; and W. M. Thompson, manager Washington Insurance Examining Bureau.

The Washington division will journey to Portland Jan. 16 to join the Oregon division in a joint annual meeting.

The California Blue Goose at its meeting in Los Angeles saw a film of the bombing of Pearl Harbor.

F. F. Porter Heads N. E. Exchange

BOSTON—Felix F. Porter, Massachusetts state agent of Phoenix Assurance, was elected president of the New England Insurance Exchange to succeed LeRoy G. Fitzherbert of the Home. C. J. Stalliday, American, becomes vice-president. K. F. Akers, National; C. R. Johnson, Hartford, and Carl W. Noren, National Liberty, were elected to the executive committee.

About 150 attended the night-before dinner, when Nat Wentworth of the Paris branch of the American Foreign Insurance Association told of his experiences for the past six years in Paris and his escape from Paris a year after the Germans took possession.

Five new members were admitted: W. W. Bartell, Royal, Boston; J. Ross Hall, Dubuque Fire & Marine, Plainfield, N. J.; W. S. Kershaw, Automobile, Boston; R. H. Kutteruf, Hartford Fire, Boston, and A. W. Monthie, Glens Falls, Glens Falls, N. Y. Resignations of E. S. Powell and T. E. Walton, Jr., were accepted.

Smithy Named Special Agent

W. S. Smithy, Jr., becomes special agent of Hartford Fire and Citizens in the southern department, assigned to Mississippi, with headquarters at Jackson. He has been with the southern department in various capacities for many years and for several years has been chief examiner in the farm department. The addition to the field force was made necessary by the absence of Edgar Rushing and F. W. Koops in military service.

Phoenix of Hartford Pow-wows

Phoenix of Hartford held an educational conference in the Edgewater Beach Hotel, Chicago, three days this week for a group of about 30 of its middle western field men. Similar sessions were held last week for the other middle western organization. The programs were educational in nature and sales ideas were emphasized. Jointly in charge were Roy E. Eblen, vice-president at the home office, and Urban Lelli of Chicago, general agent for the inland marine and business development departments. Glenn Pickens was also on hand from the home office.

Ky. Collections in Good Shape

LOUISVILLE—J. V. Bowman, secretary Kentucky Fire Underwriters Association in a letter to members advised that no agency in the state was reported delinquent by two or more field men for September or prior balances.

The next regular meeting of the association will be held in Louisville Jan. 12.

Intermountain Club Elects

SALT LAKE CITY—The Intermountain Field Club held its annual meeting here and elected these officers: President, E. G. Eldredge, general agent, succeeding W. J. H. Montgomery, Home; vice-president, Roy Donaldson, St. Paul; secretary-treasurer, L. W. Keyser; executive committee, Mr. Montgomery, M. A. Jackson, R. L. Salmon, E. M. Weiler.

Buffalo Field Club Elects

New officers of the Buffalo Field Club are: President, R. P. Hamilton; vice-president, C. C. Patton; secretary, E. T. Collins.

Formal Opening at Harrisburg

Officials and a number of divisional heads of the Home group left for Harrisburg, Pa., Tuesday afternoon, formally to open the new building housing the eastern and central Pennsylvania field staff of the companies. In addition to President H. V. Smith, occupants

of the special car were Vice-presidents Ivan Escott, R. F. Van Vranken, F. E. Potter, John Glendening, H. H. Schulte, George Allen, J. A. Forrestel, J. S. Love and F. E. Potter, together with R. E. Minner, Harold Brazer, H. Payne, W. E. Hill and Robert Newhouse.

Honor Wolfe in Fargo

Blue Goose members in North Dakota gave a stag dinner in Fargo in honor of J. Pierce Wolfe, retired state agent of Security, with 30 in attendance. Mr. Wolfe was presented a lounging robe. He has been a member of the Blue Goose for 35 years. He went to Moorhead, Minn., in 1900 and was a local agent there before his connection with Security.

Sees Value in Defense Program

NASHVILLE—A possible permanent value in the civilian defense program to the fire prevention phase of organization activities is seen by Commissioner McCormack, who expressed the hope at a meeting of the Tennessee Fire Underwriters Association "that all the things we may learn about preventing and about fighting fires through the civilian defense program may prove very helpful to our regular fire prevention efforts after the present emergency."

The Tennessee Blue Goose, meeting at the same time, announced a generous contribution to the Red Cross.

Burgoon Named by Security

The Security of New Haven group has appointed J. S. Burgoon special agent in southern Illinois, with headquarters in Decatur. He started with Security in the Rockford, Ill., office in 1925, and in 1929 was transferred to the home office as examiner for Indiana and Illinois.

Amos Again Pinch-Hitter

A. Pierce Amos has been appointed special agent for the Royal-Liverpool groups in Arizona during the absence of S. J. Cunningham, who has been called back into the army after his recent release. Mr. Amos, who will make his headquarters in Phoenix, handled the same assignment during the former absence of Mr. Cunningham.

War Talk in San Francisco

The San Francisco Blue Goose at its luncheon meeting Monday heard a forceful talk on "Win the War—Win the Peace" by E. Guy Talbot, Pacific Coast representative of the Committee to Defend America. R. L. Countryman, coast manager of Norwich Union, was chairman.

Ohio Field Men Aid Defense

Fire Prevention Association of Ohio is cooperating with the educational committee of the Ohio Council of Civilian Defense and about 30 of its members attended a three-day institute at Ohio State University.

D. P. Hague-Rogers, Eagle Star, spoke on blackouts and Carl H. Roggenkamp, Security of Iowa, president of the Fire Prevention Association, on fire defense and incendiaries. The organization intends to base, as much as possible, its future town inspections upon the need for such inspections in aiding civilian defense.

Suggest Job for Blue Goose

KANSAS CITY—Informal discussion among field men has brought out the idea that possibly the Blue Goose might act as a central agency or clearing house to arrange for doubling up on use of cars on trips, thus saving tires and cars in the emergency.

Kansas City Pond Meets

KANSAS CITY—The Heart of America Blue Goose held its first luncheon meeting of the year, with attendance of more than 40. Fenton

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Hume, most loyal gander, presided. There will be a luncheon meeting next Monday.

NEWS BRIEFS

Mrs. Ernest C. McElvain, president of the Wisconsin Women of the Blue Goose, entertained the officers and board members at a luncheon Tuesday, in honor of **Mrs. George Hannan**, who is leaving the city to make her home in the south. Mrs. Hannan, whose husband was head of the audit work in the Wisconsin rating bureau, is a charter member of the organization.

W. Y. Armstrong, American Appraisal Company, Cleveland, will address the **Ohio Speakers Club** at noon Jan. 19, in Columbus on "Why an Independent Appraisal." D. D. Montgomery, Ohio Farmers, spoke to the club on "Protection of Special Bridges" this week.

The **Fire Prevention Association of Michigan** will inspect Charlotte, Jan. 21, Harry K. Rogers, Western Actuarial Bureau, will speak at a luncheon.

At a meeting of the **Blue Goose Luncheon Club of Sioux Falls, S. D.**, C. A. Christopherson, ex-congressman, spoke on "War and Its Effects." The next meeting will be Jan. 26.

Flat River, Mo., will be inspected Jan. 29 by the Missouri Fire Prevention Association.

The Kentucky Fire Prevention Association is inspecting **Madisonville** Thursday.

Cites Lessons of Cleveland Magnesium Fire

The Ohio Inspection Bureau in its loss report on the Wellman Bronze & Aluminum Company plant at Cleveland Dec. 23, states fire originating with almost explosive force in the magnesium grinding room destroyed the grinding room and did considerable damage to adjoining areas. The cause is not definitely known but believed to have been ignition of fine particles of magnesium, either by a grinding wheel or an acetylene torch temporarily being used in the grinding area. Sprinklers operated and helped prevent the spread of fire but, according to those present, did more harm than good in the magnesium grinding room and consequently were shut off. The fire department confined its efforts to preventing the spread of fire and attempted to keep water off of the grinding room area. Insurance carried was \$155,400 fire and extended cover with the 90 percent clause. Use and occupancy was \$360,000 with the 80 percent clause covering blanket on this and the insured's other factory at 2499 East 93rd street. Loss has not been settled but probably will be fairly heavy for a property of this size.

This loss again emphasizes the absolute need of specially adapted equipment for the safe collection and disposal of finely divided magnesium as produced in a grinding process, coupled with adequate ventilation at the process.

There is also indicated the desirability of incombustible surroundings for any process involving finely divided magnesium.

While operation of sprinklers apparently contributed to explosions and consequently were shut off before the fire was out, it would not seem conclusive that sprinkler protection is ineffective in areas housing magnesium operations.

SUBJECT OF CHICAGO ADDRESS

This question of magnesium fires is very much to the fore just now. At the meeting of the Fire Insurance Examiners Association in Chicago Thursday evening of this week, R. I. Thrune, safety engineer of the Dow Chemical Company of Midland, Mich., will speak on "Control and Elimination of Magnesium Fire Hazard."

Following the death of T. L. Davidson, **Auburn, Wash.**, local agent, the agency will be continued by his widow, Mrs. Martha Davidson.

Charles F. Thomas on Texas Inspection Trip

SAN ANTONIO—Charles F. Thomas, manager Western Underwriters Association, is spending some days here, accompanied by his wife and daughter. He was formerly Texas state agent of Royal and to the oldtimers he is still the "Texas King." He is being piloted about by Earl Bullock of this city, retired state agent New York Underwriters and an old friend of Mr. Thomas. From here the Thomas family will go to Corpus Christi, where a nephew, John M. Thomas, Jr., son of the National Union president, is a cadet in the air corps. The Thomas trio will finally land at Mineral Springs, Tex., and will return to Chicago about Feb. 1.

Biggest Season on Great Lakes

CLEVELAND—Movement of iron ore on the Great Lakes during the season just closed reached 80,116,360 gross tons, compared with the previous record of 65,204,600 gross tons in 1929. Bulk freight traffic in 1941 totaled 169,020,975 tons, according to the Lake Carriers' Association. This included iron ore, coal, limestone and grain, and was 18.30 percent over the 1940 record of 142,874,985 tons.

Hartford's Ad Campaign Stresses Loss Prevention

The national advertising of Hartford Fire and Hartford Accident to appear this year in full pages in several national weekly magazines will consist of vigorous messages designed to emphasize the tremendous importance of accident and fire prevention at this critical period.

"Time lost now is vital to America," says the first advertisement. Many phases of this important subject will be featured throughout the year. The first display, to appear in "Collier's," "Time," "Life," "Business Week" and other publications in January, is captioned "Who is the partner of sabotage? It's carelessness. It slows up war work. Let's stop it!" The "ad" emphasizes that in 12 months industrial accidents cost America 1½ billion man-hours, enough time to build 45 battleships, 195,000 light tanks or 15,000 heavy bombers.

The advertisements contains striking sketches by Earl Winslow, wellknown illustrator, and enumerates 10 ways to prevent losses caused by carelessness.

Advance proofs submitted to agency leaders and field representatives of the Two Hartford brought compliments on the timeliness and importance of this

Commissioners for Education on Non-admitted Carriers

LINCOLN, NEB.—Insurance Director Fraizer, who is chairman of the committee on laws and legislation of the National Association of Insurance Commissioners, says special study is to be given the question of handling non-admitted companies, and that a campaign of education and to some extent one of legislation will be sponsored this year. Nebraska's position, he said, is somewhat vulnerable because it has several large companies that write by mail, radio and newspaper advertising in states in which they are not admitted. The Nebraska law does not forbid Nebraska companies to do this, and this puts the director on the spot, although he has condemned this in public utterances, correspondence and otherwise.

contribution to America's production program and public welfare.

C. W. Bean, Kansas state agent America Fore, spoke at the monthly dinner meeting of the **Association of Insurance Women of Kansas City**.

Order **Direct Reading Rate Finder & Cancellator**, \$2, from National Underwriter.



"We can help You!"—says American business in time of peril. It's a man-to-man statement of confidence and helpfulness! * * "We can help You" is this Company's all-inclusive slogan. It expresses concisely our attitude toward the American agent. Most notably it expresses the agent's efforts to deliver to his public peace of mind—that priceless ingredient of insurance!



OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS

Illinois Agents Committees Appointed by Winters

Committees of the Illinois Association of Insurance Agents were announced by President McCullough Winters of Quincy. The chairmen are: Accident and fire prevention, J. E. Martin, Peoria; auto, fire and marine, J. B. Oakleaf, Moline; budget and finance, P. B. Hosmer, Chicago; casualty and surety, R. B. Ayres, Hinsdale; education and public relations, Wade Fetzer, Jr., Chicago; grievance, H. H. Monier, Champaign; legislative, W. Herbert Stewart, Chicago; rules and forms, N. C. McVay, Springfield; rural agents, Ray A. Bastian, Hinckley.

Plan Joint Fire-Casualty Dinner in Los Angeles

LOS ANGELES—Joint panel discussion of fire and automobile topics will feature the dinner meeting of the Associated Agents Committee of Los Angeles Jan. 19, under the leadership of John R. Sherman, assistant manager of Travelers. Those who will participate in the panel discussions are Jack Dempsey of Hollywood and Ira Wheeler of Santa Monica, local agents; H. M. Steele, Royal Indemnity, and H. G. Parson, Hartford Accident.

J. T. Breckon, Business Development Office, San Francisco, will give a short talk.

The meeting is sponsored by the Southern California Fire Underwriters Association and Casualty & Surety Fieldmen's Association of the Pacific Southwest.

To bring about closer and more intimate relations among the organizations, a luncheon meeting will be held that day by the Fire Underwriters Association, Casualty & Surety Fieldmen's Association, Casualty Insurance Association of Southern California and Casualty Underwriters Club. Mr. Breckon will be one of the speakers.

See Opportunity for Women in N. Y. Insurance Courses

NEW YORK—Since some offices are already using women to replace men called into service and more are likely to do so in the near future the Insurance Society of New York has called attention, in connection with its second semester courses, to the fact that all classes are now and always have been open to women as well as men. Registration for the second semester will begin Jan. 19, classes beginning one week later. Second semester courses will include the following: General principles, which will be given in three sections; fire I and II; casualty I and II, inland marine, surety and aviation. As in the past the society will refund the entire tuition fee of any student entering the armed forces of the United States during a course.

New Chicago Insurance Phone Directory Off Press

THE NATIONAL UNDERWRITER has published its annual insurance telephone directory of Chicago, an established feature since 1912. Larger than ever before, the new volume has 152 spiral bound pages, listing all insurance offices, principal persons in the offices and businesses allied with insurance.

As before, there are two sections, one for offices in the Insurance Exchange and one for outside offices. This year there is also a special section devoted to allied businesses. Otto E. Schwartz, associate manager of THE NATIONAL UNDERWRITER, has been in charge of the directory for many years.

Because the unprecedented number of office moves during the past year, there is a heavy demand for the new directory. Copies may be obtained from THE NATIONAL UNDERWRITER at \$1 each.

Late Casualty News

Insurance Men Interested in Civil Air Patrol

NEW YORK—Formation of the Civil Air Patrol seems likely to "keep 'em flying" in civilian non-scheduled aviation, an activity which necessary war regulations threatened for a time with extinction. It is quite likely that only members of the Civil Air Patrol will be permitted to do any private flying. Consequently aviation underwriters are doing all they can to urge agents and brokers interested in aviation insurance to cooperate with the CAP and encourage private flyers to join.

Since they are in touch with civilian aviation, producers of aviation insurance can play a valuable part in helping the government organize the Civil Air Patrol and consequently in helping private flying through what at best will be a difficult time. Since an airplane in the hands of a secret enemy would be able to work havoc it will be possible to permit private flying only under the strictest government regulations. The government is doing all in its power to find a way to retain the civilian aviation structure without permitting any aircraft to be operated in a way that might endanger the national security.

Duties of CAP

The civil air pilot's duties will be to cooperate with the armed forces, such as patrolling a highway along which troops are moving, to transport officers when military aircraft are needed elsewhere, and in general to relieve military ships for more urgent duty. Experience alone will reveal whether these activities will, in the aggregate, add materially to the risk of private flying and consequently to the premiums to be charged.

On the day following the Japanese attack on Pearl Harbor all pilots' certificates, except those on scheduled airlines, were suspended. Recently the civil aeronautics administration announced that effective Jan. 8 it would be possible to have these licenses reinstated by meeting certain requirements. Even with a reinstated license, however, no non-scheduled civilian flying is permitted on the Pacific Coast west of the Cascade range, which is roughly 150 miles inland. The coast ban applies all the way from Canada to the Mexican border.

Requirements Are Strict

Strict requirements must be met for reinstatement of certificates. Pilots must supply proof of citizenship and two letters from leading citizens in their communities on their business stationery stating that the individual is known to be a loyal American citizen. Before being permitted to fly the pilot must have a reinstatement card which will be given him following submission of two pictures $\frac{1}{2}$ inches square showing the individual's full face from the top of the head to the shoulder line and with both ears clearly visible. In addition he must again submit proof of citizenship in the form of a birth certificate, a baptismal record, or a naturalization document if he is a naturalized citizen. At the time of reporting to the CAA inspector the applicant will have his fingerprints taken by a qualified expert, probably an FBI man.

The applicant will receive a temporary identification card with his picture clipped to it. In the meantime the other picture and fingerprints and data go to Washington and if everything is satisfactory the CAA will issue a permanent certificate, which will be on a plastic card along with the picture. When the applicant receives this the temporary certificate goes to Washington.

The prescribed order is that civilian pilot training program pilots and instructors are to be reinstated first but

actually there is no delay for other pilots since facilities are ample for handling requests for reinstatements.

Rules of flight are very much restricted as compared with pre-war conditions. Any landing area where planes are kept must be under armed guard 24 hours a day. If a field is used only for practicing takeoffs and landing it must be guarded during that time. Each pilot must obtain clearance for local flights and he must not go more than 12 miles from the airport. However, a single clearance may be had for several short flights, as for example when a pilot is practicing takeoffs and landings.

A pilot wishing to make a cross-country flight must file a complete flight plan, giving details of his route, the number, make, and color of his machine, with the army interceptor command for that area. He must stay below 3,500 feet unless he is flying on instruments.

Would Be Reported

The reason for this somewhat complicated procedure is that air raid spotters are on duty 24 hours a day and will report the plane to the interceptor command. The latter, having the flight plan, time, and other details of the trip will know that there is nothing amiss. However, if the pilot should lose his way and be reported by a spotter at a distance from his scheduled route he would quickly find a Curtiss P40 flying circles around him and waving him down. If he failed to obey he would be likely to be shot down.

One of the important ways in which agents and brokers can help the cause of civil aviation is in preventing the flow of good potential aviation personnel to other services. It will be a definite help to the program if good men are steered toward taking the civilian pilot training courses. There is a definite shortage of new students for the next courses, which begin Feb. 1. Agents and brokers may become members of the CAP even though they are not pilots.

Inspection Companies Work Multiplies Sharply

All of the inspection companies in December handled the largest volume of life insurance work during December that they have had during any single month previously. The work is continuing well into January, as much of the business that was written under the stimulus of impending war clause rules has yet to be delivered.

This put a heavy strain on the inspection companies. They also had exceptionally heavy demands in New York state because the Page-Anderson financial responsibility law became effective there Jan. 1, and there was a tremendous increase in the purchase of automobile insurance in that state. One of the inspection companies said that its automobile inspection work in New York state, for instance, was 500 percent greater than normal.

In addition to these unusual demands the inspection companies are having difficulty maintaining their man-power. Most of the inspectors are in the age group subject to draft and it is regarded pretty much as a young man's type of work. The company inspection companies feel that now they will have to use older men but the inspectors have to be in good shape to make the rounds day after day in all kinds of weather.

Housing Project Bids Opened

LOS ANGELES—Low bidder on the Aliso Village Housing Project of the Housing Authority of the City of Los Angeles was the R. E. Campbell Co., Compton, Cal. Its figure was \$2,075,000. The Los Angeles office of U. S. F. & G. wrote the bid bond for the low bidder.

Kuchler Heads Bonito & Co.

NEW YORK—George W. Kuchler has been elected president of Alan H. Bonito & Co. of this city. He has been with Jones & Whitlock for the past four years and before that was with Chubb & Son for more than 20 years.

Roy L. Davis Is Added to Texas Casualty Slate



ROY L. DAVIS

Roy L. Davis of Chicago, western representative of the Association of Casualty & Surety Executives, will be one of the speakers at the casualty meetings in Dallas, Jan. 19 and in Houston, Jan. 20 under the sponsorship of the Texas Association of Insurance Agents. He is taking the place of Ray Murphy, assistant general manager of the association, who found that he could not make the trip.

A record-breaking attendance is expected at the casualty meetings, according to Chairman A. H. Bevan, Casualty Commissioner Gibbs, formerly a local agent, will make his first public appearance before the casualty agents.

No registration fee is charged for the meetings, each of which will attract some 150 local agents. The directors of the Texas association will hold their winter meeting in Dallas, Jan. 18.

Plans One-Day Sales Congress

NEWARK—George McKelvey, resident manager here of American Casualty, has arranged for a one-day sales congress for agents of the company in Northern New Jersey Jan. 22.

The session will open in the afternoon with sales talks on various coverages of the company and in the evening there will be a banquet with President H. G. Evans as speaker.

Atlanta Claim Men's Banquet

ATLANTA—More than 150 will attend the annual banquet of the Atlanta Association of Claim Men Saturday. The toastmaster is former Governor John M. Slaton. The principal speaker will be State Senator James A. Simpson of Birmingham.

L. E. Williams, American Mutual Liability, will take over the presidency, succeeding C. L. Daughtry, Hartford Accident.

New Empire Mutual Officers

NEW YORK—New officers of Empire Mutual Casualty of this city are: President, R. I. Block; vice-president and general counsel, Jerome Heffer; secretary-treasurer, Joseph Boland.

Fuller Milwaukee Speaker

MILWAUKEE—E. B. Fuller, vice-president Loyal Protective Life, addressed the Accident & Health Underwriters of Milwaukee this week.

O'Connor with Pa. State Fund

L. J. O'Connor of Sharon, Pa., previously an examiner for the Pennsylvania labor relations board, has been appointed chief auditor of the state insurance fund with headquarters at Harrisburg.

Chicago Board Recasting Plan Comes Up for Vote Jan. 22

(CONTINUED FROM PAGE 1)

brokers or class 3 members, who pay dues of \$10, should not hold membership in the new board, but instead would have the privilege of signing a pledge to trade only with members of the board and thus receive the regular board scale of commissions or to accept a lesser commission if desiring to trade outside as well. But that provision was eliminated and brokers will retain board membership. Committees of both class 3 and class 2 members would be created to have a voice in board affairs, along with the class 1 group.

The present class 4 classification consisting of real estate brokers and non-residents would be extinguished. Real estate brokers would be eligible to class 3 membership.

Qualification for class 1 membership would include the requirement that 80 percent of such an agency's business be from sub-agents or brokers, but present agency situations would be frozen. That is one feature of the New York rules.

Surety Bond Terminated

The surety bond covering class 1 members, the premium being paid by the board, would be terminated. The dues of class 1 agency would be reduced to \$50 from the present \$100 for the first member from the office and \$20 each for additional members. The present Chicago Board trust fund would be distributed among members, after payment of taxes and expenses. The pro rata share of each member is now about \$375. In getting the minimum number of companies for qualification purposes the class 1 agent may not count more than one insurer from any one fleet.

A Cook county manager must be compensated solely on a salary basis. Once a vote is cast in a membership election, it can't be changed.

Strict enforcement of board rules would commence March 1. Any unusual amount of cancellation and rewriting of business to avoid the consequences of enforcement of commission and brokerage rules will be regarded as a violation.

Expense Allowance

A resolution to be voted upon provides that since there is no reference to the expense allowance of class 1 agents, no new agreement shall be negotiated on expense allowance. Officers would be directed to study the question and report within 90 days.

Directors would serve for two years instead of one, as in the past.

There will not be offered at this time detailed plans for the setup of the rating organization. There is merely a resolution for divorce, directing the officers to take steps to complete the details and providing that henceforth the Chicago Board shall have no interest in the rating bureau.

The board will continue to maintain the Chicago Fire Insurance Patrol.

The number of regular meetings of the corporation has been reduced to two from four.

The disciplinary sections of the rules have been completely revised and strict enforcement of all rules will begin March 1. The department of the board charged with the enforcement of the rules is to be enlarged and exhaustive examinations will be made to determine compliance with the commission and brokerage paid to sub-producers.

Class 1 members hereafter would be known as supervising agents, class 2, suburban agents and class 3, brokers.

BROKERS PLAN RALLY

A general meeting of licensed brokers operating in Cook county to discuss their position under the proposed new setup of the Chicago Board, will be called by President Joseph Norton of the Insurance Brokers Association of Illinois, it was unanimously decided

by resolution at the quarterly meeting of the organization Tuesday.

There is a possibility that some form of trade organization of brokers may be proposed.

"There are a number of brokers who feel that they should secure status under some sort of trade union arrangement so that they could be entitled to the privileges under the Wagner act," President Norton said. He agreed with a broker who proposed the resolution that an emergency existed. Carl A. Berger, association past president, said that it seemed high time to form a brokers' trade union.

"I don't want to sit too long and watch them move up on us," Mr. Berger said. Another prominent broker said it was improper for the Chicago Board to say the brokers could not place business wherever they want to.

Brokers' Representation

President Norton gave a resume of the association's efforts over the last 10 years to secure representation on the Chicago Board, to which, if they wanted to place with the major mar-

kets, they had to pay membership fees. He said the brokers either had to join the board or found it "advisable" to do so. Some brokers felt the board's policy represented taxation without representation, and Mr. Norton said the new plan would not improve that situation. He said although a "brokers' committee" was contemplated, the five members of this committee would be selected from 10 who would be nominated by the Chicago Board manager. The plan allows them to sit in board meetings and have a voice but no vote.

Debate Direct Business Rule

The brokers criticised the provision having to do with direct business competition of supervising agencies with their office and associated brokers. This provision would prevent any offices in future applying for board membership from doing more than 20 percent of their business on direct basis, but would preserve the status of existing members.

Mr. Norton explained that the New York City plan, which has been in operation for many years, imposes a pen-

alty of lower commission scale on offices doing more than 20 percent of their business direct.

The brokers, Mr. Norton said, might ponder how the provision would operate which stipulates that existing direct business arrangements of supervising agencies could be passed on only by "inheritance." He said it appeared a broker under the plan could never become a Class 1 agent unless he should go out and get enough accounts so his direct business would not amount to more than 20 percent of his total premiums.

The brokers felt the Chicago Board, by divorcing itself from the rating function and continuing only as a trade association, might consider itself no longer answerable to the insurance department, and, therefore, might not refer its charter amendments to the department, but instead only to the secretary of state. It was said the secretary, except for obvious conflict with law or existing corporations, or as a matter of public policy, approves all amendments of charter without question unless an objection is filed.

The brokers association will secure an opinion from its counsel before calling the mass meeting of all brokers. A letter is to be sent to Insurance Director Jones putting the association on

THE MAN WITH A PLAN



Agents have unusual "luck" with The Employers' Group Analysis Plan, because such a plan is an effective way of telling a story and selling a prospect. It's direct — easy to understand. It shows a man what insurance he needs and what insurance he has—the coverages, limits, premiums and expiration dates—all in a handy visual index type of presentation.

To find out more about this Analysis Plan, read our monthly magazine "The Pioneer." A written request to The Employers' Group Publicity Dept., 110 Milk St., Boston, will get a copy for you.

*The Employers'
Group...*



record in the matter, so it may be represented at any conferences or hearings. Further, it is likely consideration will be given to the question whether to file an objection to the board's charter changes with the secretary of state.

Mr. Norton said it would be better for the business to police itself, instead of inviting forced regulation by government. He cited the Missouri rate case, saying a government observer has sat in the hearings for several months, and an attempt to impose some form of federal control of insurance might result.

CHICAGO

FIELD CLUB SEES SUBWAY FILM

The Cook County Field Club at a meeting Monday saw the sound film of the Chicago department of subways and superhighways picturing subway construction. George F. Hooke, president, presided.

AGENCY OBSERVES 92nd YEAR

Enger, Barnett & Hurwith, Chicago class 1 agency, is celebrating the 92nd anniversary of its founding as the old Davis & Requa agency. Alfred Enger, who served with Davis & Requa and later until recently headed Enger, Barnett & Hurwith, died not long ago and the active head of the agency now is Howard K. Hurwith, who joined the firm in 1938.

V. M. HERRMANN AGENCY HEAD

V. M. Herrmann has been elected president and treasurer of George Herrmann & Co., Chicago agency. He has been connected with the agency about 35 years, largely in the production end, and has been vice-president and treasurer. George Herrmann, Jr., another son of the original George Herrmann, who died recently, becomes vice-president and Robert Griffith, manager of the casualty, surety and marine department, was elected vice-president and director. George, Jr., has been with the agency for many years and Mr. Griffith has been there about 32 years.

MCCABE ASSISTS IN CAMPAIGN

John V. McCabe of McCabe & Henkle, Chicago, has been appointed assistant vice-president of the Illinois Association of Insurance Agents, associated with W. J. Laadt of Cramsie-Laadt & Co., vice-president of the region. Together they are working out a plan of activities.

AMERICA FORE BUILDING DEAL

The federal government is negotiating for the America Fore building at 844 Rush street, Chicago, to house the Railroad Retirement Board. The announcement is of considerable interest to insurance people because, if the deal goes through, the western departments of America Fore and Firemen's of Newark, probably would move into the "loop" district. Both offices would like to get into the "loop" district, where it would be easier for agents to visit them and for company officials to keep in personal contact with others in the business.

The government agency, with 1,600 employees, would use the entire building. The property is now being appraised. The building, which has an assessed valuation of \$1,082,306, plus a land value of \$171,481, was constructed in 1923, when there was a considerable movement of business north along Michigan avenue. The building has approximately 250,000 square feet, and is 98 percent rented.

Some of the tenants have periods of their leases yet to run, including Firemen's with two years. Presumably there would have to be worked out some adjustment of the difference in rental cost between what the tenants now are paying and would have to pay if forced to move. Whether the government will buy the building or rent it has not been determined.

NEW YORK

BROKERS' COURSE AT HOFSTRA

The agents and brokers course designed to prepare candidates for state insurance licenses will be opened by Hofstra College, Hempstead, L. I., Jan. 19. It bears the approval of the department. The instructors will be Herman Hamel, attorney; P. J. Molmar, of the department staff and W. D. Sked, of the casualty department of Marsh & McLennan.

ROYAL SELLS BUILDING

In an all-cash transaction Royal sold to interests represented by M. J. Shagan its 17-story building at the northeast corner of Williams street and Maiden Lane. Located in the center of the city's insurance district, the building has among other occupants a considerable number of branch offices and agencies, as well as many brokerage concerns.

BLUE GOOSE GATHERING JAN. 16

The New York City Blue Goose will hold its first meeting of 1942 on Jan. 16, at the Drug & Chemical Club. C. J. Malcolm, Toronto, most loyal grand gander, will attend. It will be his first official visit to the pond. Dr. B. A. Liu of the China Institute in America will speak on "From Mukden to Pearl Harbor."

Oldest Agent in U. S.

Approaches 96th Birthday

The paradoxical status of being dead though alive will be experienced Saturday by General Julius Franklin Howell of Bristol, Va. The reason is that Gen. Howell, who is probably America's oldest insurance agent, will on Jan. 17 be 96 years old, the age at which actuarial computations cease and a life insurance policyholder is crossed off the books as theoretically dead.

Although the actuarial department will consider him dead after Saturday, the agency department will be able to prove that he is still alive and active, inasmuch as he is still selling casualty insurance to residents of Bristol and its vicinity. His company is Travelers, which he has been representing since early in 1923.

Gen. Howell is commander in chief of the United Confederate Veterans. He is in good health, although last winter he suffered a period of illness. After his recovery, however, he was well enough to attend the American Legion convention at Milwaukee, to represent the governor of Tennessee in restoring to that state the flags and swords captured during the Civil War by Michigan soldiers, and to attend the convention of the United Daughters of the Confederacy at Los Angeles, where he and Mrs. Howell were guests of Mary Pickford. Mrs. Howell, whom the general describes as "almost half my age," assists him in the conduct of his insurance business and other affairs. They were married in 1934.

Whisky Outlook Is Clouded

LOUISVILLE—Whisky is in active production and considerable insurance is being placed, but by far fewer organizations, as a result of so many independent companies having passed into a few hands. Production cost has mounted considerably on account of advanced costs of cooperage, grain, labor, coal, etc., and it is today costing right at 50 cents a gallon to produce whisky and place it in new barrels, whereas normally the cost would be 37 to 40 cents. There is considerable agitation in opposition to further whisky production during the war, and there is an outside chance that the spring '42 crop of whisky may be the last made until the war is over. At that there is approximately 510,000,000 gallons of hard liquors in the country, or a five or six year supply available.



for

Ninety Years

AN EMBLEM OF SECURITY ... A PLEDGE OF SERVICE

Since 1852 — 90 years ago — the trademark of the "Hanover Fire" has been emblematic of unquestioned security to policyholder and a pledge of friendly service to agents.

Established near Hanover Square, New York City, the Company has steadily grown and expanded into a nationwide, aggressive organization of Home Office and field representatives always ready to co-ordinate their abilities with the Company's facilities to further the best interests of its agents and policyholders insurance-wise.



THE HANOVER FIRE INSURANCE CO. of New York

HOME OFFICE
111 John Street
New York

WESTERN DEPARTMENT
Insurance Exchange
Chicago

Raw Stock U. & O. Is Much to Fore

Howard Campbell of Kansas City, special agent of Hartford Fire, writes to the National Underwriter as follows:

"In your issue of Jan. 8 is a very helpful and timely article on the treatment of raw stock replacement time under use and occupancy policies. May I suggest that the insured's attention should be called to words "actual loss sustained" which have taken on an almost new meaning under the present emergency conditions. Suppose it takes six months to replace the building, machinery and equipment, but the insured has only enough stock to supply his operations for four months and he can not replace the raw stock at all or within the time necessary to restore the building, machinery and equipment. His actual loss sustained would be his use and occupancy value for four months because he would have had to shut down even if he had had no fire. Raw stock in this case may be the entire supply of all kinds of raw stock or only one or a few kinds which are absolutely essential to the completion of his product, so that he could not operate without it.

"I believe, however, that you will find that most plants facing such a shut down will have hunted out new products, for which stock could be obtained, so that their actual loss sustained would not be limited entirely by the time the raw stock on hand would supply them.

"At the best this raw stock problem is confusing and quite generally misunderstood, and you have done well to call it so forcibly to the agents' attention."

Powers Elected President of Boston Board

BOSTON—Charles L. Powers, Boston manager of Travelers Fire, was elected president of the Boston Board at its annual meeting. F. T. Towle, of Field & Cowles, was elected vice-president, James Davis, was reelected secretary-treasurer, and J. S. Caldwell was reelected enforcing officer.

The new executive committee will be A. J. Anderson, O'Brien, Russell & Co.; A. K. Pope, Cyrus Brewer & Co.; H. C. Read, Jordan & Read; J. G. Cornish, Field & Cowles; B. W. Pepper, Dewick & Flanders; W. B. Hatfield, Rogers & Hatfield, and F. J. Connors, Kaler, Carney, Liffler & Co. R. A. Sullivan, Hinkley & Woods, and A. J. Anderson, O'Brien, Russell & Co., were elected to the advisory committee to serve with members of the New England Insurance Exchange. Converse Hill, Elmer A. Lord & Co., and J. T. Trefry were elected to the handbook committee for 18 months and Philip Richenberg for six months.

R. A. Sullivan, retiring president, who has served four years, rendered his annual report entirely in verse, under the title "Bard of Broad Street." Secretary Davis reported.

The stamping office report showed 2,934 criticisms of violation of rates and rules, 500 over 1940.

Closer attention has been paid to qualification and licensing of agents and brokers and the new 10 percent law greatly reduced the number of brokers. J. S. Caldwell, enforcing officer, reported investigation of the status of Class A agents showed only 10 violations. The number of complaints was reduced 50 percent, totaling only seven.

Marine Rate Changes Minor

Recent marine war risk rate revisions have been confined to minor adjustments to bring rates on some of the less frequent voyages into line with the general rate structure. No major changes are looked for on the basis of existing conditions.

Mutual Agents' Head



BRYSON F. THOMPSON

Bryson F. Thompson, who was recently elected president of the National Association of Mutual Insurance Agents, is president of the Thompson & Peck agency of New Haven. He organized the agency in 1928 together with L. T. Peck. He is a graduate of Yale and acquired his first insurance experience in the home office of Security of New Haven. He served as president of the Mutual Agents Association in 1936 and '37.

Mr. Thompson has named his new committees. Chairman of the advisory committee is C. M. Westbrook of Charlotte, N. C. The executive committee consists of Mr. Westbrook, Chester C. Jennings of Baltimore and Mr. Thompson.

Chairman of the by-laws committee is James F. Minor of Charlottesville, Va. Chairman of the committee on agency organization problems is W. E. Swigart, Huntingdon, Pa.; finance committee, Charles M. Boteler, Washington; membership, J. C. McGee, Jackson, Miss.; state and regional associations, John R. Chappell, Jr., Richmond; 1942 convention, George E. Phelan, New York; resolutions, George D. Ratliff, Jackson, Miss.; nominations, L. W. Ashton, Wilmington, Del.; Mutual Review advisory committee, Chester C. Jennings, Baltimore. Emmett V. Thompson of St. Louis is national councilor to the U. S. Chamber of Commerce.

Associated Agents to Meet

BOSTON—The annual meeting of the Associated Agents & Brokers will be held in Boston Jan. 16, at which time it is expected officers will be reelected, with the exception of a successor to the late Edwin J. Cole. Harvey R. Preston, Springfield, is president, and Edmund S. Oppenheimer, general manager.

Subzero Days Bring Higher Losses

The subzero wave that struck throughout a large part of the country and continued almost during an entire week brought a smart increase in losses such as invariably accompanies a sudden severe drop in the temperature. Adjustment companies and company loss departments were operating at a fast pace for a few days. There appeared to have been no outstandingly large losses attributable to overheating, etc. The \$1,500,000 grain elevator fire at Superior,

ADJUSTER—INVESTIGATOR

Experienced fire and allied lines. Services available to companies or agencies, exclusive or part time basis, in Chicago and metropolitan area. Address O-98, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Wis., occurred during the frigid period but its occurrence seems to have had no causal connection with the cold weather.

Reinsurance Class Half Through

NEW YORK—The class in reinsurance of the Insurance Society of New York has passed the half-way mark. The first half of the term was devoted to a study of basic principles and discussion of the various forms of insurance. Mimeographed copies of casualty reinsurance contracts were furnished the class this week. As similar forms for fire insurance appear in the work on reinsurance by Sturhahn, it will not be necessary to supply them to the students.

J. E. Teegardin Is Named

James E. Teegardin has been appointed as an additional special agent for Commercial Union in Ohio. He is a graduate of Ohio State University, following which he was connected with a local agency.

\$200,000 Chicago Fire

Fire severely damaged the Hermann Warehouse Co. building in Chicago last week, doing damage estimated at more than \$200,000. Paint, varnish, cotton tick-

ing, a large quantity of canned food, and other merchandise were destroyed. An accurate determination of loss was delayed because the fire continued to break out as paint and vanish containers exploded long after the principal blaze was under control.

New Atlantic Mutual Trustee

William H. Coverdale, president and chairman of American Export Lines and American Export Airlines, has been elected a trustee of Atlantic Mutual of New York.

G. H. Parker's Defense Booklet

George H. Parker, manager of the Kentucky Actuarial Bureau, is the author of a 24-page booklet entitled "War Time Precautions," which he has published as a contribution to national defense. It is a very practical publication. The statements are clear and simple and it should serve a very good purpose.

A. G. Smith Advanced

A. Glanvill Smith has been appointed head office marine underwriter of Commercial Union, succeeding the late A. L. Kennedy. Mr. Smith has been in London with the company 30 years and assistant marine underwriting manager since 1933.



The Insurance Agent has great influence upon the lives and property of his community



Will Wright
FIELD CORRESPONDENT

THE YORKSHIRE INSURANCE CO LTD
LONDON & PROVINCIAL MARINE & GENERAL INS. CO LTD
SEABOARD & MARINE AND THE YORKSHIRE INDEMNITY CO. OF N.Y.
90 JOHN STREET NEW YORK CITY

Realism Needed on Interstate Risks

(CONTINUED FROM PAGE 2)

able. Companies are, however, most anxious to know what method they may apply universally without running afoul of state departments. A ruling for either method would not seem to conflict with the typical statute.

Problem No. 4: Rates and Rating Laws:

At least a majority of the states have legislated against unfair discrimination in rates applying to risks of the same relative hazard. To comply with such a law is not difficult, nor objected to even in the writing of interstate business. Many legislators and some officials, however, have arbitrarily defined unfair discrimination as the process of writing at rates different from those published by some rating bureau to which the companies are compelled to belong. That published tariff rates are often grossly, if not intentionally, unfair and discriminatory is by no means a secret. William S. Crawford, insurance editor of the New York "Journal of Commerce," whose wise observations are born of 40 years of the closest contact with executives writes under his by-line on Jan. 7:

"The present inflexible rates, based upon physical hazard alone, are working an injustice to the citizens of communities with very good fire records. They are unfair to agents in such communities. They are unfair to owners of individual risks in such towns who are in competition with similar owners who are able to get low rates on risks which they own in unregulated states."

May I add that they are also unfair to those assured who through widespread operation, efficiency in management and volume are in a position to offer the underwriter business which he can write at less expense and greater profit.

Rating Methods Practical

Strangely enough the rating problem has not been the greatest stumbling block encountered by underwriters of interstate business, whether they chose to operate as members of associations or on their own. Rating methods which have been rarely questioned over a period of 15 years are in use and do solve with reasonable satisfaction the problem presented by the interstate assured who wants his insurance at a fair price. Whether these methods comply with the technicalities of a score of anti-discriminatory rate filing, or rating bureau laws is questionable. Practical and satisfactory they are, however, and have not led to disastrous rate wars such as those which precipitated the original anti-discriminatory laws.

Remedy:

First, insurance departments in states which have laws merely against unfair discrimination should not attempt to usurp the disciplinary powers of rating bureaus on their members by assuming that such laws mean "rates must be such as are published by the rating bureau." It can be conceived that a company might violate the law by refusing to deviate from an unfair published rate.

Second, rating bureaus should be required by their member companies to introduce factors into their schedules which will permit credits in rate for the favorable factors inherent in centralized management and in, I may add, decreased cost of selling the policy. Such factors can and must be more flexible than the iron clad debits and credits to which the bureaus are now prone to adhere. To do this will not introduce, but will remove unfair discrimination. If the published rates for all the local parts of a centrally managed low cost interstate risk can be lower than the rate for the same risk when not a part of such an efficient organization, the sum of the local rates

will add up to a premium which will be fair and non-discriminatory for the whole.

Problem No. 5: Coverage Forms:

Since the coverage granted by the insuring form attached to the policy is often no less important than the rate charged, rating bureaus customarily promulgate rigid rules as to wording of clauses, classes and interests that may be covered and other similar features. Since these rules differ greatly from state to state and since in many states membership in the bureau is compulsory on companies, the companies cannot write any policy covering in two or more states where filed coverage forms vary without running afoul of the law. A few forms, restricted mostly to stocks of merchandise but not including buildings, use and occupancy, rents, etc., have been filed uniformly in all states. In addition most rating bureaus have little or no elasticity in their rules to permit a large corporation which may have its own ideas about wording or deductibles or hazards to be included in a single policy to agree with underwriters on an acceptable contract of indemnity.

Proposed Remedy:

The filing of uniform contents forms demonstrates the feasibility of filing uniform forms for other coverages. Furthermore there seems little hindrance to the introduction of greater flexibility in permitted wordings, permitted hazards, credits for deductibles and policy term (length of time). It would seem that this problem could be solved by the companies on their own when they are willing as a whole to view the problem as one needing solution and one which should not be hamstrung by sectional prejudices.

Problem No. 6: Endorsement:

The insurance departments have on the whole adopted a practical and broad minded attitude toward the enforcement of laws which they must have realized are inconsistent. Sporadically, a company here and there has been brought before the bar of justice and publicly spanked. In a few cases an individual state has instituted a purge and possibly brought the business of companies admitted to the state in conformity with the law for a while. To anyone at all familiar with the large city insurance markets, it must be evident that

- "(a) interstate business is freely written by a great many companies
- "(b) such business is written at rates radically less than the average of published tariffs
- "(c) the forms used adhere to no standards
- "(d) the rules as to what may or may not be covered as promulgated by rating bureaus are often ignored
- "(e) there is a substantial market in companies admitted to but few states, some of which companies have wealthy relatives
- "(f) enforcement of the law intermittently only here and there and on companies alone has merely chased the business around from one market to another."

Application of Penalties

Certain of our insurance laws governing procedure are so well enforced as to be outstanding. Rebating is uncommon. "Twisting" in life insurance apparently is not rampant. Local use of non-admitted insurers, despite its publicity, accounts for but a small portion of the total premium volume. There may be other evils equally well controlled. Examination of the laws against these acts reveals a common factor, i.e., the penalties run not only against the company, but against the producer, —the broker, the agent, the general agent, the binding office. It would ap-

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THEY WILL PRODUCE FOR YOU

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- 2—USE and OCCUPANCY VISUAL SALES CHART
- 3—REPORTING FORM VISUAL SALES CHART
- 4—PERSONAL INSURANCE ANALYSIS
- 5—BUSINESS SURVEY
- 6—MODERN SOLICIT FORM

Ask To Have Our Fieldman Visit You

New York Underwriters Insurance Co.

Under management of

A. & J. H. STODDART

Ninety John Street

New York



Plug No. 23

NO PRIORITIES— on Insurance

Practically everyone is being handicapped by the application of "PRIORITIES."

Remind your assureds that "PRIORITIES" do not affect insurance but that lack of adequate insurance may seriously affect them.

Check your assured's requirements NOW.

FIRE ASSOCIATION OF PHILADELPHIA LUMBERMEN'S INSURANCE COMPANY THE RELIANCE INSURANCE COMPANY PHILADELPHIA NATIONAL INSURANCE CO.

401 WALNUT STREET, PHILADELPHIA

FIRE, MARINE and AUTOMOBILE INSURANCE

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175 V

pear, therefore, that a more widespread enactment of laws carrying penalties on the producer, against unfair discrimination and its attendant evils might produce results more in line with those produced by laws against the other evils mentioned. Especially might this be true about interstate business, the placing of which is concentrated to a great extent in the larger cities and by brokers and agents pitifully few in number but mighty in power. If it is wrong for a company to discriminate unfairly, it should be no less wrong for a broker, an agent, a general agent, a binding office or a pool. The law should say so and should be enforced.

A recognition of the factual problems of this business and an attempt to meet these problems practically will make the task of enforcement immeasurably easier. Majority rules in rating bureaus to which companies are compelled by law to subscribe and which means in practice that often a large number of disinterested smaller companies may block legislation needed by the larger ones to serve their broader markets, must be tempered with a realization that prohibition breeds bootleggers in insurance too.

Much Concern Felt in Texas Domain

(CONTINUED FROM PAGE 1)

to sharp rate reductions, advancing the argument that rates are very low now and if they are decreased, it would be a monumental task in the future to increase them if a high loss ratio prevailed.

The general agents are having their over-riding commission cut where they have had to protect themselves. The Texas companies recently formed an association of their own but they espouse the 20 percent figure.

No New Filings Yet

So far there have been no new rate filings, companies in the 20 percent class hoping to find some other way out. The action of a British company group has brought the issue to a head.

When the National Association of Insurance Commissioners met in New York, Life Commissioner Lockhart, chairman, and Casualty Commissioner Gibbs conferred with some of the executives to endeavor to ease the situation. Fire Commissioner Hall was ill and did not make the trip.

Here and there some insurance men hope the insurance department can find a way to shut down on excess commissions in spite of the Gulf case. Attorneys are studying this phase to see if the department can legally act.

Others favor a general commission war to clear the atmosphere which, of course, would have an injurious effect in many ways on the business here.

It would seem that some steps will be taken as those that are suffering from the excess commission procedure are becoming very restless.

At its meeting Jan. 19 Albert M. Fulton of the speech department of the University of Minnesota will give the Minneapolis Insurance Women's Club pointers on how to talk effectively.

WANTED

INLAND MARINE UNDERWRITER
By large Chicago stock company office. Preferably deferred in draft. Opportunity to become special agent. In reply give complete information as to experience, age, etc. Address O-96, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WOMEN WANTED

Several women wanted having sufficient experience and education to develop into senior fire underwriters. Opportunities are exceptional for those who qualify. Replies must be complete as to experience, nationality, religion and marital status. Address O-94, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

COMPANIES

General Finance May Use Carriers for Casualty

General Finance Corporation is not writing casualty business in its two insurance carriers, Mid-States and Mid-America. There is a possibility that it may do so later on, as the finance business of the company, composed very largely of automobile paper, goes off the books as a result of tire rationing and new car elimination.

Mid-States has just been licensed in Michigan for casualty business. This is the carrier General Finance organized in Illinois last year to write both fire and casualty lines. Mid-America is a Michigan corporation. General Finance has been using for several years to write fire business. However, Mid-America is chartered for both fire and casualty, as is Mid-States. In Michigan a company must be chartered for casualty in order to write collision.

Retaining Both Companies

It was the original intention of General Finance when it formed Mid-States to reinsure Mid-America business. It wanted an Illinois corporation so that it could have the home office of the insurance company closer to the center of its finance operations. In view of the new situation created by the war, General Finance will retain both companies.

C. W. Makin Advanced to Secretary of Camden Fire

Charles W. Makin, assistant secretary of Camden Fire since 1928, has now been elected secretary-treasurer.

He succeeds the late Elwood S. Thompson who died Dec. 13.

Mr. Makin was born in Camden in 1893. He took special courses of the La Salle Extension University and the accounting branch of Alexander Hamilton Institute.

Starting with Camden Fire in 1908 as an office boy, he later rose through the underwriting department to assistant examiner but in 1915 was transferred to the accounting department, being promoted to auditor in 1926. In 1928 he was elected assistant secretary and placed in charge of the accounting and statistical work.

Clarifies Status of Tokio and Meiji Policyholders

HARTFORD—To allay any misunderstanding that may have been caused by recent legal advertisements of the liquidation bureau of the New York department, to the effect that policyholders of the U. S. branch of Tokio M. & F. and Meiji Fire "will not have any insurance protection on policies or other contracts of that company after Dec. 11, 1941," President W. Ross McCain of Aetna Fire stated that Standard of New York, purchased by Aetna Fire in May, 1941, had assumed all liability of Tokio and Meiji covering risk of loss or damage by fire and supplemental risk.

Stresses They Are Covered

Mr. McCain said that while the advertisements, signed by Superintendent Pink of New York, were legally correct, they might need some clarification because of the fact that policyholders in Tokio and Meiji may not understand that their interests as to fire and supplemental cover are fully protected by the reinsurance contract with Standard of New York.

Mr. McCain emphasized that all policyholders of Tokio and Meiji are protected from Sept. 30, 1940, to the expiration of their policies by this reinsurance in Standard of New York, and that any policyholder of those companies who wishes to do so may go to the office of any agent of Standard of New York and have his policy endorsed to show such assumption of liability. If he prefers, the assured may have his policy can-

celed and rewritten in Standard for the unexpired term without additional cost.

Appalachian Now Licensed

Appalachian of Providence which was granted a charter last year by the Rhode Island legislature has now been licensed in Rhode Island and authorized to commence business Jan. 1 of this year. It was formed by interests identified with Union Mutual of Providence and its operations will be confined to reinsuring business of Union Mutual Fire. The capital of Appalachian is \$25,000 and net surplus is the same amount.

Losses Heavy on U. S. Crop Insurance, Report Shows

(CONTINUED FROM PAGE 1)

tion, and, conversely, an excess of indemnities paid over premiums collected in any one year is not considered a loss. Both of these conditions merely reflect a normal functioning of the insurance reserve."

The corporation states in its current report that "rates are revised annually to reflect the loss experience. The actuarial structure is so developed that the total premiums over a representative

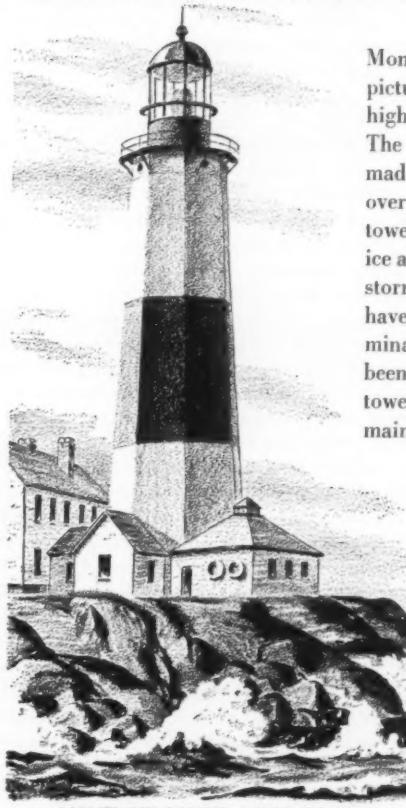
period of years will offset indemnities. Premiums are in a large measure based on actual or appraised crop loss experience for a representative period of years for each individual farm insured. This crop loss is blended with the general crop loss experience of the county in which the farm is located to determine the premium rate."

The corporation will make cotton crop insurance available this year for the first time. In general insurance on cotton crop follows the wheat crop insurance program, protecting growers against losses resulting from drought, flood, freezing, hail, insects, etc.

In addition, the corporation has collected corn yield data from 20,000 farms in Ohio, Indiana, Illinois, Iowa, Missouri, Kansas, Nebraska, South Dakota, Wisconsin, Michigan and Kentucky, looking toward the formation of a program to insure corn. It is studying tobacco, rice, citrus, fruit production and crop hazards with a view to extending production insurance to growers of those crops.

Paul B. Hulfish, assistant secretary of the Southeastern Underwriters Association, has gone to the Piedmont Sanitarium in Atlanta with the idea of remaining two weeks. He has had attacks of arthritis, and his doctors are now going to put him through a rest and treatment routine.

GUARDIANS OF THE SEA



MONTAUK LIGHT, LONG ISLAND

Montauk Point Lighthouse occupies a most picturesque position near the edge of a high cliff on the eastern end of Long Island. The first lighthouse for which Congress made appropriation, aside from those taken over from the Colonies, this fine massive tower was built in 1797, and is still in service as originally constructed. Due to violent storms and heavy fog, many shipwrecks have occurred in this vicinity. Modern illumination and fog signal apparatus have been added, and the light shown from the tower today is of 220,000 candlepower. The main light is 168 feet above sea level.

As ocean travel became more prevalent, new lighthouses were built and old ones remodeled to give maximum protection on the water. Contributing its share toward preventing loss to ship and cargo, marine insurance has kept pace with the demand for more complete and widespread protection against hazards of the sea. Appleton & Cox, Inc., specialists in this field for nearly three-quarters of a century, maintains a worldwide organization, always ready to assist to the limit on all ocean and inland marine risks.

Appleton & Cox
INCORPORATED
OCEAN AND INLAND MARINE UNDERWRITERS
111 John Street, New York
BRANCHES IN PRINCIPAL CITIES

EDITORIAL COMMENT

U. S. Health Insurance as a Postscript

Accident and health insurance people are profoundly interested in that passage in the President's budget message in which he recommended an increase in the social security taxes and an expansion of the benefits to include payments for permanent and temporary disability and hospitalization. Even in these days when world shaking events and decisions are making the nation surprise-proof, this part of the President's message nevertheless drew some deep gasps from insurance people in general and those in the accident and health field in particular.

It is assumed that legislation has already been drawn to implement, as everyone is so fond of saying, the President's program and there will be the utmost interest in what is actually proposed. Until such legislation is introduced, the comment has to be general and it may be wide of the point. The President desires to have an increase in the social security payroll taxes, so as to reduce the spendable income of wage earners. That is the first consideration. Then, in order to justify the increase, the President stated that the employees should be shown something in the way of additional benefits. It is a case of putting into effect a national health insurance scheme as an afterthought, as a postscript to an anti-inflation measure. In a nation dazed by wartime developments, it is a question whether the revolutionary implications of such a socialized undertaking will be understood.

The accident and health insurance interests will hold their fire until they see the exact terms that are proposed. Those in the business are resolute and will be heard from in a very positive way if there is brought forth a scheme that might threaten to extinguish or very greatly diminish accident and health insurance as privately conducted. It will certainly be the leading topic of discussion at the mid-winter meeting of the Health & Accident Underwriters Conference in Chicago, Jan. 22.

Entirely aside from the general principle of whether under our system of government the state should provide such benefits, there is a practical, administrative consideration that an immense organization would have to be created to handle the claims. The present social security benefits are payable in definite amounts upon the death of the person

covered or upon his reaching age 65. There is an appalling amount of record keeping involved but that operation would be as nothing compared to having the U. S. government send a man around to check up on its citizens in their days of disease and injury. In our new wartime zeal we must nevertheless try to maintain our equilibrium and not accept uncritically every radical proposal that is put out in the wrappings of war. We can well remember the plunge to prohibition in the last war.

We doubt very much whether the American people have been so conditioned even by wartime circumstances that they want the United States government at their bedside in days of illness and injury. It is an incongruous relationship and one that seems to us to be far from the American tradition but at least the issue should be faced squarely and the nation should not wake up to find itself in such a profoundly new situation merely because the government wants to give its people something extra for their tax money.

From a strictly commercial standpoint, the private insurance interests won't be able to appraise the effect upon their line of the proposal until the legislation is brought out. Thinking completely in the dark, however, any such scheme would seem to bode no good for private group insurance, for weekly premium business and for hospital associations. It is true that the social security program, in its life insurance aspects, seems really to

have stimulated the sale of life insurance, because it enabled persons of small income to work out a fairly adequate program by combining the federal benefits and private life insurance. But in accident insurance, a person who owns a policy is very likely to consider himself covered, even if it is a very limited contract, whereas in life insurance one policy merely leads to another. Of course the issue won't be decided on the grounds of whether the scheme is good or bad for private insurance, but if it is menacing to private insurance, there will be a body of critics focusing immediately on the problem and engendering the fullest kind of public discussion. It is most important that there be such discussion and that we don't accept something of the magnitude and of the revolutionary implications of national health insurance sight unseen.

PERSONAL SIDE OF THE BUSINESS

M. E. Bulske, chief inspector of the National Inspection Company, Chicago, is on vacation in Florida.

Miriam Whitford of Evanston, Ill., who was married the other day to Lieut. Paul Henry Heinz, Jr., of the United States Marine Corps reserves, is the daughter of **W. S. Whitford**, executive vice-president of Millers National, and Mrs. Whitford. The marriage took place in St. Matthews Episcopal church at Seat Pleasant, Md. The Heinzes are now residing at Quantico, Va., where Lieutenant Heinz is stationed. Lieutenant Heinz is the son of Judge Paul Heinz of Topeka.

F. F. Ludolph is rounding out 28 years as secretary of the San Antonio Insurance Exchange. He was one of its founders and has been secretary continuously. He has put out a bulletin reciting the chief accomplishments of the organization since it started.

D. K. MacDonald, Seattle agent who has been in the limelight following his election as president of the Seattle chamber of commerce, came in for some additional glory when he shot a hole-in-one at Phoenix. The feat was accomplished on a 215-yard par three hole.

Mr. and Mrs. Dowdell Brown, Jr., of Roanoke, Va., are the parents of a new son, Dowdell Brown III. The father is the son of **Dowdell Brown** of Atlanta, southern manager of Commercial Union group.

J. P. Crawford, special agent of Home in Oklahoma, who was recently injured in an automobile accident, has returned to his office and expects to be back on the road by Feb. 1.

Dudley F. Giberson, prominent local agent of Alton, Ill., and Mrs. Giberson have returned from a vacation trip to Florida and Tryon, N. C. While at the Keewaydin Club near Naples, Fla., Mr. Giberson landed the first tarpon caught in Florida waters this season. At Tryon they visited Mrs. Giberson's parents.

S. S. Matson, special agent of the farm department of America Fore in Iowa, is ill in the hospital at Ames. His condition is not regarded as serious.

Frank S. Coffin, member of the firm of Moore, Case, Lyman & Hubbard, Chicago, recently was elected president of the Glencoe (Ill.) Men's Garden Club. He also is the editor of a monthly publication, "The Mulch Box," which is distributed among the members.

W. Owen Wilson, Richmond, Va., former president of the National Association of Insurance Agents, will address a meeting of the National Association of Cost Accountants in Richmond Jan. 26 on an insurance topic.

Phil J. Braun, Flint agent and former president Michigan Association of Insurance Agents, was seriously injured in an automobile accident near Lansing, Mich. Mr. Braun was with a party on the way to Lansing to attend a state meeting of Kiwanis clubs when another car, trying to cut around a truck, collided with their machine.

Mr. Braun, who is expected to be confined to Edward W. Sparrow hospital in Lansing for three weeks, suffered a fracture of the left arm above the elbow and severe cuts and bruises.

Minor injuries were suffered by **J. E. Mayfield**, manager Guaranty Title & Mortgage Company, fire and accident prevention committee chairman of the Michigan association, and **H. B. Leonard**, Flint manager Western Adjustment, who were in the party.

Harry S. Gambrel, of the Gambrel-Stubbs agency, Kansas City, and president of the police board there, is recuperating from an operation at St. Luke's hospital.

DEATHS

Allen P. Bradley, 55, member of the insurance firm of Bradley & Callister, died at his home in Salt Lake City from a heart attack. He was educated at Yale, graduating as a metallurgist. For some time he was employed by the American Smelting & Refining Company. In 1924 he entered the general insurance business and later became manager of the insurance department of the J. A. Hogle Company, Salt Lake City. Five years ago he formed a partnership with R. V. Callister, which continued until his death.

George H. Seeley, 65, Minneapolis insurance man since 1904, died there. For many years he conducted his own agency.

Arthur W. Koch of Kewaskum, Wis., treasurer of Kewaskum Mutual Fire, died in a Milwaukee hospital after an illness of more than a year.

Harry L. Thomas, secretary and claim manager of Union Insurance of Indiana, died after an illness following a nervous breakdown. He would have been 60 in April. He had been 30 years in the insurance business, the last 16 with Union. A brother-in-law, E. H. Shiel, is vice-president and state agent of the company.

Arthur J. Weed, special agent Norwich Union Fire in eastern New England, died at the Peter Bent Brigham hospital in Boston. Mr. Weed was born in Simsbury, Conn., and grew up in Hartford. He went with the United States branch of Norwich Union in New York in 1891 as underwriter, and served later in the field in the south and west, returning to New York and New Jersey. He aided in adjusting the Chelsea fire losses for the Norwich Union and remained in the New England field for the remainder of his life. He is survived by his widow and a brother, N. A. Weed, vice-president Globe & Republic.

John D. Pollock, former Michigan state agent of London Assurance, who died the other day, was a most colorful figure. He had been ill about a year and retired from active service last November.

He was a hardworking individualistic fieldman of the old type. He was well known to insurance men in half a dozen states from Minnesota to Tennessee. He was a life member of the Underwriters Association of the Northwest.

He worked for the Easton, Pa., Foundry & Machine Company for six years at the turn of the century before the firm retired from business, leaving

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him jobless. He headed for Chicago, hoping to land a new position. His brother lived in the same house with the late J. V. Parker, who was manager of the Western Actuarial Bureau, and Mr. Pollock was given a job rating in St. Louis and spent 13 months on the assignment. For three years after that he rated cities and towns for the Western Actuarial Bureau and state rating authorities in Illinois, Minnesota, Kentucky, Tennessee and Missouri.

Since 1910 he had been in company field work. He was more than six feet tall and was large of frame and always wore a bow tie.

E. C. Warner of Minneapolis, who died at Palm Beach, Fla., was a director of Hanover Fire, Fulton Fire and Twin City Fire.

C. R. Elgas, 78, died at his home in Long Beach, Cal. For 30 years previous to his retirement in the '20's, he was prominent in Nebraska as an adjuster.

F. Russell Hausmann, 55, secretary and a director of the Lawton-Byrne-Bruner agency, St. Louis, died from a heart attack at his home. He had been at his office the day before. He was one of the organizers of Lawton-Byrne-Bruner and had been with the agency and its predecessors 26 years.

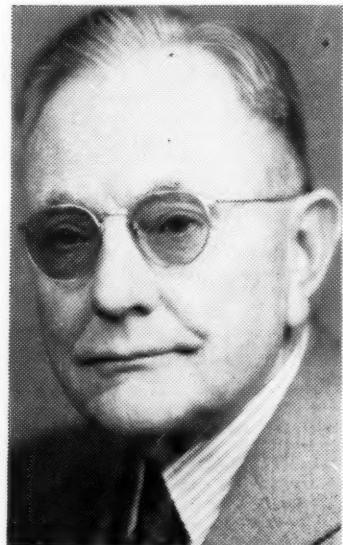
Dr. Michael R. Barrett, associate medical director of Western & Southern, died after an eight weeks struggle with a streptococci infection of the brain during which time he underwent several operations. He would have been 35 years old Jan. 2 and only six months ago married the former Miss Mary V. Geoghegan, daughter of Thomas M. Geoghegan, vice-president of Perkins and Geoghegan, Inc., prominent Cincinnati fire and casualty agency. Dr. Barrett was a well known athlete during his college days and had been associated with Western & Southern since 1939.

Percy S. Irvine, 61, who was formerly assistant treasurer of Federal Surety of Davenport, Ia., died after an illness of six weeks. In recent years he had been connected with the Waterman & Lohmiller agency of Davenport. In his younger years he was in the life insurance business.

C. F. Brigham, vice-president of the F. F. Small & Co. agency of Hartford, died at his home in Granby, Conn.

F. Willard Trask, 76, veteran local agent of Leicester, Mass., died there.

Ark. Manager Dies



T. F. BAKER

Turner Fuller Baker, manager of the Arkansas Fire Prevention Bureau, who died unexpectedly of a heart attack, was born at Brownsville, Tenn., May 30, 1875. At an early age his family moved

to Texas. He had been connected with some branch of the fire insurance business for 45 years, having operated a local agency in Snyder, Tex., a number of years. He was elected a member of the Texas legislature where he served several years, at the end of which time he became associated with the Texas insurance commission at Austin, a position he held until becoming manager of the Arkansas bureau in 1920.

Mr. Baker was an active member of the Bureau Managers' Conference and the Council of Rating Managers & Secretaries. He was stricken while on the way to the bank and died in an automobile en route to the hospital.

William Biddle, agent of the W. E. Lord Company, Cincinnati, died suddenly. He had been in failing health for several months.

Jesse McKenzie, 75, local agent at Delphos, O., for many years, died there.

A. L. Peterson of Buffalo, N. D., died unexpectedly from a heart attack.

R. W. Watson, 67, pioneer Tillamook, Ore., local agent, died from a heart attack.

S. S. Renie, who for more than 30 years operated a local agency at Arapahoe, Neb., died there.

J. H. Melton, 76, veteran local agent of Lonoke, Ark., died there.

IN U. S. WAR SERVICE

Charles J. Komaiko, son of S. B. Komaiko, Chicago class 1 agent, enlisted in the marine corps and has left for training at a California base. For the last two years he has been connected with the wage and hour commission office in Chicago. Previously for a time he was associated with his father in the agency. He is a member of the Illinois bar. Another son, William J., in another week or so will complete his training in the Royal Canadian Air Force as a navigator.

Private Don E. Waggaman, formerly special agent in Texas for Commercial Union, spent the Christmas holidays

with his father, Eugene S. Waggaman, regional manager for Royal-Liverpool group at New Orleans. Another son, Eugene S., Jr., is at the naval midshipmen's school, and expects to be commissioned as an ensign at an early date.

Lieut. Fred Koebig, formerly with Aetna Casualty in Los Angeles, was at Hickman Field, Hawaii, when the Japanese made their attack on Pearl Harbor, but escaped without injury.

Edward Shirey, cashier in the Los Angeles office of Employers Liability, who is a reserve lieutenant in the army, has been called to active duty.

Richard T. Wellman, inspector with the Wichita office of the Kansas Inspection Bureau, will report Feb. 1 at Fort Leavenworth for military service.

Willis Shuey, agent of Travelers in Des Moines, has joined the navy air reserves and **Glen Kees**, a member of the office staff, has joined the army air corps.

John G. Norris, who in civilian life is Illinois special agent of Royal Exchange, has just been promoted to lieutenant junior grade, U. S. N. He is stationed on the Augusta, flagship of the Atlantic fleet. He has been in active naval service for just a year, with the rank of ensign. He is a stepson of John Rygel, secretary in the western department of Hanover.

Clyde Thomason, Atlanta adjuster, who had served in the marines for several years, reenlisted in the marine corps reserves. He was inducted into the service at Macon, Ga., and was given an immediate assignment to active duty.

Trafford Tallmadge, local agent at Columbus, O., has been appointed captain commanding the First Battalion of the Ohio State Naval Militia, which is a part of the Ohio State Guard.

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The NATIONAL UNDERWRITER

January 15, 1942

CASUALTY AND SURETY SECTION

Page Nineteen

Producers, Company Men Confer on Boiler Equity Plan

Field Representatives in Parley Wednesday—Joint Session Thursday

NEW YORK—Representatives of the National Association of Insurance Agents, National Association of Insurance Brokers and National Association of Casualty & Surety Agents went into session here Wednesday morning to discuss what position they shall take Thursday morning in the conference with a company group on the equity rating plan for boiler and machinery risks that was put into effect Jan. 1 by National Bureau companies.

Representatives of the National Association of Casualty & Surety Agents are Lew H. Webb of Chicago, president; John E. O'Neil of Boston, vice-president, and W. D. O'Gorman of Newark, past president.

The bureau action has stirred intense feeling and a considerable portion of agency sentiment is decidedly against what has been done. Whether the bureau will stand its ground, whether it will modify the plan perhaps to apply to higher premium risks, or whether it will again erase the plan as it did early in 1940 remains to be seen. Company opinion is also divided.

Formula to Be Confidential

Unlike the previous plan the formula for rate reduction and commission reduction is not to be generally available but each case is to be submitted to the home office which will decide. However, it is understood that the formula does not vary greatly from the one that was put forth in 1940. Under that formula, as under the present plan, the maximum rate reduction to be allowed was 25 percent. Under the old plan, to get a rate reduction of 25 percent, the general agent had to accept a commission of but 3.3 percent. One point that is made informally by some of the agents who have entered objection is that throughout the old formula, the rate reduction was accomplished by a contribution on the part of the agents of about 90 percent and on the part of the companies of about 10 percent.

Another point that is advanced by some of the objectors is that the companies and agents have been in conference for a long time on the general subject of graded commissions and expenses by size of risk in the casualty field and that it is inconsistent with that program for the boiler and machinery people at this time to come out with a plan of their own.

The special risk rating plan does not apply to risks or portions of risks located in Arizona, Florida, Kentucky, Louisiana

(CONTINUED ON PAGE 28)

Fight Payroll Insurance Plans

Issue Is Raised by Buffalo Agent—Charges Wagner Act Violation

BUFFALO—Complaints that some plants are working with some insurance companies in getting workers to buy automobile liability and property damage insurance have been made to Superintendent Pink and to State Senator Mead by Jerome F. Rozan, insurance broker.

Mr. Rozan claimed the practice is unfair to workers and to many small agents and brokers. He questioned whether it is a violation of the Wagner act or the insurance law.

"The impression given the worker," he wrote to Mr. Pink, "is that the master is a management undertaking and, possibly fearing loss of work, he signs up for this insurance. It is then arranged that certain amounts be deducted from his payroll . . . I would like to know whether this is done gratis . . ."

Assistant State Industrial Commissioner Marquardt said the labor law prohibits payroll deductions unless made at the request of the personnel as a whole and that "an individual worker can't even waive his rights in this matter unless the general personnel wants to waive." Workers have every right to refuse to take insurance under the conditions described, Mr. Rozan said.

Want Priority Rules for All Boiler Policies

A good deal of sentiment is developing on the part of boiler and machinery writing companies in favor of adopting a rule to make the so-called priorities limitation clause for U&O. and outage policies applicable to all outstanding contracts. The rule was made effective Dec. 1, applicable to new and renewal business and to increases in amounts of U&O. and outage coverage. However, a good many companies are becoming increasingly apprehensive of their liability under contracts that do not now contain those clauses, envisioning the possibility of having to pay huge amounts of daily indemnity for long periods, simply because damaged equipment cannot be replaced.

There continues to be a tremendous demand for increased amounts of U&O. and reinsurance is almost impossible to obtain. London Lloyds, it is said, is charging full rates and will not participate as a coinsurer or as an excess carrier except on a priorities limitation basis.

Am. Auto Branch Managers Meet

ST. LOUIS—Branch managers of American Automobile are meeting here this week. Emphasis is being placed at the conference on the multiple line development program now getting underway on a nationwide basis.

Many Increases in Plate Glass Rates

Differentials Cut in Many Localities, Residence Rates Boosted, Form Changed

NEW YORK—The National Bureau of Casualty & Surety Underwriters has made a number of increases in plate glass rates throughout the country. They are accomplished in most cases by decreasing the various territorial differentials. These differentials show the discount in different territories from the basic rates.

As typical increases, the discount in Milwaukee was cut from 55 to 50 percent. In Philadelphia, the zone 1 differential was reduced from 45 to 35 percent and zone 2 from 62½ percent to 55 percent. San Francisco and Los Angeles discounts were cut from 70 to 67 percent and the balance of the state from 75 to 72 percent, except for a few counties where the level was unchanged.

Territories Affected

Other territories in which rates were increased are Montgomery, Ala., Hartford, New Britain and Waterbury, Ct., District of Columbia, Florida exclusive of Jacksonville, St. Petersburg and Tampa, Peoria, Ill., Indianapolis, Gary, East Chicago and Hammond, Ind., Wichita, Kan., Louisville and Covington, Ky., Cambridge, Fall River and Worcester, Mass., all Michigan except Wayne county, Duluth, Minn., Akron, Cincinnati, Columbus, Toledo, Canton, Dayton and Lakewood, Ohio; Chattanooga and Knoxville, Tenn., El Paso and Houston, Tex., all Utah except Salt Lake City and Richmond, Va.

A number of changes have also been made in the classification of different types of glass, nearly all of which result in increases.

Residence Rates Raised

The rate for glass in residences has been raised to \$3 annually, \$7.50 for three years in advance and \$7.88 for three years in instalments. The old rates of \$2, \$5 and \$5.25 remain in force if other glass is insured under the same policy. The endorsement for this coverage has also been revised so that it specifically excludes glass bricks and shingles, glass in conservatories, glass chandeliers, glass in electric light fixtures, Carrara, vitrolite and similar structural glass and any plate, stained glass window or glass in any other object valued at more than \$50.

There is no indication in the new manual pages of any intent to add a war exclusion clause to the plate glass policy.

Auto Payments Cover in N. H.

Commissioner Rouillard of New Hampshire has now authorized the writing of automobile medical payments coverage. He stated that he has some reservations as to the propriety of writing such business because of the statutes defining personal accident insurance but that he desires to cooperate in the experiment. After the plan has been in operation for some time and experience has accumulated, the commissioner will look into the matter again.

N. Y. Report on National Bureau Covers 281 Pages

Department Makes Thorough Study—Boiler and Machine Suggestions

NEW YORK—One of the most comprehensive reports issued by the New York department in years is that covering the result of its investigation of the National Bureau of Casualty & Surety Underwriters from 1935 to 1940, inclusive. For convenient study the report appears in two volumes, with a total of 281 pages.

After reciting the history of the organization through the various changes, the report presents in turn the rating procedure followed by the automobile, compensation and liability, owners' and contractors' protective liability, plate glass, burglary and boiler and machinery divisions of the business; analyzing the experience of each, and making a number of recommendations for changes in the light of revealed results.

Criticizes Boiler Methods

The report is critical of the method employed in building up boiler insurance rates from basic, location and object charges, which it is offered seems to have "developed out of earlier systems rather than from a scientific approach as in the case of other casualty lines for which the actuaries and underwriters have solved similar problems." The examiners hold that the three-fold functions of the basic and location charges should be segregated. This, it is argued, would necessitate revising rating methods now in use, "to the point perhaps of establishing standard limit premiums with a separate increased limit table of charges."

Proposes Separate Schedule

"The reducing charge per object insured as the number of objects increases," the examiners state, "can be taken care of by applying a separate schedule of credits for size of risks along the lines of the fleet credit schedule for automobile liability insurance." Furthermore, it is claimed, a separate schedule of charges should be devised to provide for the additional inspection cost of multiple location risks. Coupled with the foregoing would be a recommendation for a system of classified experience that can be used for verifying and adjusting the rate structure from time to time.

The National Bureau, it is understood, has agreed to make a careful study of the rating formula now employed by the machinery and boiler division, accepting as a suggestion and not an order from the department, to that end.

Paul J. Monar was in charge of the examination for the department, having as assistants Barbara H. Woodward and Sydney H. Moss.

(CONTINUED ON PAGE 29)

Scherr Optimistic on Accident-Health

President of Inter-Ocean Casualty Sees Record Year for That Line in 1942

CINCINNATI—That 1942 should be a year of great prosperity for accident and health insurance was the prediction of J. W. Scherr, president Inter-Ocean Casualty, in his address on "Effects of War" at the company's convention of general agents here. "I believe that the only things that will defeat us in making 1942 our greatest business year are fear, discouragement and lack of faith in ourselves," he said. "We have always had these to contend with. The loss of a policyholder, due to the war, can and will be replaced two-fold, because this always has been the case during and following a period of hostilities."

Basing his opinion on the development of the business during and following the first world war, President Scherr traced the surprising growth in 1917-18 and in the years previous to the great depression and stressed that while things frequently looked very dark in those days, the final results turned out to be most favorable.

Mr. Scherr limited his talk to three phases of the war, its effect on new business, its effect on claims and its effect on the financial aspects of companies, which he felt are of greatest interest today. He directed attention to the large increase in national income. This, he declared, is a very encouraging note, since never before have so many people been employed at wages even approximating today's scale. While there will be restrictions on many more things than just automobiles, restrictions on insurance are most unlikely.

As regards claims, Mr. Scherr expressed more concern over civilian policyholders than those in the service and said his company had officially recommended that policyholders entering the armed services be advised to drop their accident and health insurance for the duration of the war, with the understanding that prompt reinstatement will be made upon application within six months following honorable discharge. In explanation, he pointed out that service men are taken care of by the government.

Interest Rates Not So Important

Announcing that 1941 was the best year that the Inter-Ocean ever experienced, Mr. Scherr pointed out that low interest rates do not have the same effect on accident and health business as in the case of life companies because earnings from interest are not involved in figuring accident-health premiums. Because of this and because of the vastly improved economic conditions for so many prospects, Mr. Scherr looks forward to very good accident and health business for some time in the future.

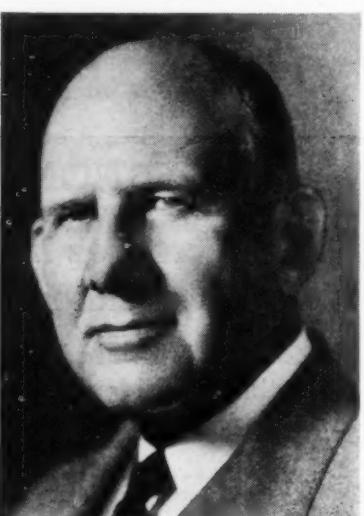
A similar optimistic note was struck by W. G. Alpaugh, vice-president and chairman of all the meetings. Mr. Alpaugh stressed the permanency of the good insurance salesman's job as compared with the temporary nature of defense jobs, pointing out that the best men to have in the business anyhow are those who looked ahead beyond the most immediate future.

Following a short discussion on "We Have No Priorities" led by J. W. Scherr, Jr., came a series of round table discussions on pertinent subjects each of which was led by one or more of the company's general agents.

Methods of Building Agency

Two contrasting methods of building an agency were explained by C. F. Harroll and Emerson Davis. Carefully selected recruits, with many rejections of applicants, has built the Harroll & Haendel agency in Dayton, O. Mr. Davis

Executive Vice-president of Boiler Insurer



CURTISS C. GARDINER

Curtiss C. Gardiner, who was recently elected executive vice-president of Hartford Steam Boiler, taking the place of the late J. J. Graham, has been with his company since 1894. He served as St. Louis manager from 1900 to 1905 and since that time, until being recently advanced to the home office position, he was New York manager. Since 1927 he has been vice-president and a director. Mr. Gardiner was very popular in New York City and had been the chairman of the Casualty Managers Association of New York. He is a director of the New York Board of Trade. He was born in St. Louis and was educated at the Shady Side Academy at Pittsburgh.

Mr. Gardiner just the other day retired as chairman of the Casualty Managers Association of New York, being succeeded by William J. Thompson of Globe Indemnity. Mr. Gardiner was given a vote of thanks at the annual meeting of the Casualty Managers Association. He continues as a member of the governing committee.

Public Interest in A. & H. War Risk Issue Wanes

The flood of inquiries as to what civilian activities would be considered sufficiently warlike to be excluded by the "act of war" provision in accident and health policies has ebbed to a mere trickle, according to home offices. There has been no noticeable increase in cancellations among civilian policyholders nor any tendency to refuse to renew because of the war exclusion, indicating that policyholders have faith in companies' desire to handle any borderline cases as fairly as possible and not to interpret the clause more strictly than is necessary. While companies still have the matter under consideration no definition or formula has yet been worked out which comprehensively covers the attitude that would be taken toward claims that might involve some degree of war hazard.

described his method of building an agency plant, opening an entirely new territory in Texas.

"An agent who can pitch over the phone and who can cold canvass will never be at a loss for prospects," Dr. J. L. Rosenstein said. "Conservation of business means conservation of agency personnel as well as conservation of policies," according to K. M. Parsley. The possibility for profit in an agency built around monthly premium business was discussed by L. L. Williams and J. A. Eggers, both experts in personal production and agency building in this phase of disability insurance.

Drop "Covenant Not to Sue" Form

In the automobile liability changes issued by the National Bureau of Casualty & Surety Underwriters effective Jan. 12, the provision for writing medical payments coverage on the basis of a covenant not to sue has been eliminated.

Previously the coverage had been available in some states and when written earned assured a credit in the rate. It was an optional coverage. A few states already had banned the use of the form.

Chicago Casualty Limitation Extended for One Year

Enforcement of the casualty general agency limitation provision in the Chicago acquisition cost rules was postponed for one year by the Chicago Council which administers the plan. The rule was revised extending to Jan. 1, 1943, the date for reducing general agencies from four to three per company, and to Jan. 1, 1944, for reduction to two.

Five companies were elected on the governing committee: Aetna Casualty, Travelers Indemnity, Maryland Casualty, Car & General and New Amsterdam Casualty. Holdovers are Bankers Indemnity, American Surety, Metropolitan Casualty and Phoenix Indemnity.

George E. Turner, administrator and executive committee chairman, reported on the work of the year, noting steady progress was made and many controversial points ironed out.

J. M. Tucker Heads American Auto Engineering Work

American Automobile has appointed James M. Tucker superintendent of the home office engineering department and Chapman Jones supervisor of the liability department at New Orleans.

Mr. Tucker is a native of Scotland, and received his early engineering training in the shipbuilding yards at Clydesdale. He began his insurance career in the United States in 1925 when he joined Travelers. He resigned from his post with that company in Chicago to join American Auto.

Mr. Jones is a native of Kansas City and graduated from Northwestern University. He began his insurance career at Chicago and after extensive agency and field experience in liability lines, joined the company's Chicago branch. After a brief assignment as supervisor of its Des Moines service office, he was brought to the home office as special representative.

Auto Rate Parley in Ohio

A meeting of the Ohio Automobile Underwriters Association will be held in Columbus on Jan. 16 to discuss the new P. L. and P. D. rates. The Ohio domiciled companies are meeting at 9:30 a.m. The meeting in the afternoon will be for all members of this association of the non-conference companies in Ohio.

Ohio Casualty Rally Friday

A business and pleasure session of the Casualty & Surety Field Club of Ohio will be held Jan. 16, at 8 p. m., in the Hotel Fort Hayes, Columbus. At the business session, Attorney Gene Hensel will speak on "Behind the Scenes with the Policy Maker." Mr. Hensel was a member of the advisory committee that drew up the recently announced changes in the automobile liability policy. The pleasure session is scheduled to start at 9 p. m. and will include movies of the Ohio State-Michigan game. Reservations are limited to 75.

Additional casualty insurance news on Page 10.

State Farm Loses Wis. Decision

Life Membership Fee Violates Requirements of State, High Court Finds

State Farm Mutual Automobile of Bloomington, Ill., on Tuesday lost the decision in its celebrated battle with the Wisconsin insurance department, when the supreme court of that state held that Commissioner Duel properly denied a license to State Farm.

State Farm Mutual had been licensed by former Commissioner Mortensen in 1939 and Mr. Duel refused to renew the license in 1940 and again in 1941. When State Farm started injunction proceedings in federal court at Madison, Mr. Duel brought the action in the state court to enforce his decision.

Mr. Duel declined to issue the license on the ground that the so-called life membership fee collected by State Farm Mutual does not comport with the Wisconsin requirements; that it constitutes discrimination because the same fee must be paid whether an assured wants coverage for six months or six years and there is never any refund of the fee. Moreover Mr. Duel objects to the fact that the company's practices in putting up reserves do not correspond with the Wisconsin regulation. The life membership fee plan, according to Mr. Duel, is contrary to the letter and spirit of the Wisconsin laws and results in unfairness and discrimination against the public and is in violation and evasion of wholesome and necessary legal requirements.

Mr. Duel made much of the fact that the membership fee varies with the territory, which he stated is additional evidence that the fee is a charge for insurance and is actually a premium, regardless of what it is called. If, according to Mr. Duel, the fee were a social fee and merely a payment for the privilege of being a member and not for insurance coverage, it should at least be the same for all territories. When it is graduated according to hazards, it is definitely not a social fee, he said.

Mr. Duel also pointed out that the life membership fee is not graduated to vary with the age of the assured. If the life membership fee has a value, then the cost should be lower to an older person than to a younger one, he said.

According to Mr. Duel, the requirement of setting up reserves is of tremendous importance and cannot be evaded by calling a substantial part of the charge for insurance coverage a service and privilege extending into the future as a mere social charge or a charge not for insurance. The State Farm system, he alleged, makes for an attempt to circumvent the law relating to unearned premium reserves and application of the premium tax laws.

Two or three months ago State Farm Mutual reinsured the business of Workmen's Mutual of Wisconsin and hence it has at least a toehold in the state even though State Farm itself has to retire from Wisconsin.

It was due to this battle of State Farm Mutual in Wisconsin that the Illinois legislature at its 1941 session passed a law providing that the Illinois insurance director may cancel the licenses of companies from a state that refuses to issue a license to an Illinois company on arbitrary grounds. Whether the Illinois insurance department will proceed to take action under this law and pounce upon some Wisconsin company remains to be seen. The decision of the Wisconsin supreme court was that State Farm Mutual's system is in violation of the Wisconsin statutes. Hence it can certainly be argued that the refusal to license State Farm Mutual in that state was not arbitrary and capricious. The Illinois law could not be construed to mean that any Illinois company should be licensed anywhere regardless of the legal requirements of the states to which they seek admittance.

Credit Insurance Gains, Outlook Bright for 1942

Shifting Wartime Conditions Make It Even More Essential Than Before

Credit insurance premiums in 1941 showed an increase of more than 15 percent over 1940, while 1942 should show an even larger gain over last year. The 1941 increase was due to some extent to the greater number of accounts and the larger amount of goods sold but was mainly the result of higher values of materials which necessitated larger lines of credit for the same number of units of goods sold.

The big reason why prospects are excellent for increased volume of credit insurance this year is that this type of insurance most strikingly demonstrates its worth in times like the present, when conditions are rapidly changing and when buyers are expanding their operations so rapidly that they may be over their heads before they or their creditors realize it.

Prevention Role Important

As with steam boiler and machinery insurance, the prevention of losses in credit coverage overshadows the actual payment of losses. In the current rush of war business the tendency of creditors is not to look too closely into their debtors' credit situations, particularly if the debtor's standing has been unquestioned. It is here that the preventive function of credit insurance comes in. The debtor may be making big profits but may find himself in hot water because of having not only the usual fixed expenses, but having to pay higher prices for new material, and perhaps invest a considerable amount of money in new plant or equipment to take care of war orders. He may find it impossible to meet his current bills. At the same time he may be solvent on a bookkeeping basis.

The only companies writing credit insurance are American Credit Indemnity and London Guarantee & Accident. Both have skilled staffs which keep a close check on their insured's debtors. Often the first warning that an insured creditor has of a buyer's shaky credit standing is the insurance company's notification that coverage is cancelled as far as that particular buyer is concerned. Naturally this cancellation does not impair the coverage up to that point but serves notice on the insured creditor that any further credit extended will be at his own risk. Ordinarily the creditor under such circumstances refuses to give further credit.

Takes Care of Slow Payers

Credit insurance covers not only losses through the failure of debtor firms but reimburses creditors on slowpaying accounts. After an account is past due the credit insurance company will take it over and if the amount due is not collected by the end of the policy period the insurer will pay the loss and of course take subrogation.

When it comes to collecting slow-paying accounts the insurance company has several advantages which the creditor does not have. The insurer has a skilled staff, specializing in this type of work and thoroughly versed in all the laws that apply. Then there is a distinct psychological advantage. The debtor usually feels that if he does not pay up promptly his credit standing will be im-

Surveys Current Situation on War Risk Protection

NEW YORK—Because of the wide interest in the effect of war on insurance coverages, "Broker-Age" has published a roundup article, prepared by Warren Ellis, executive secretary of the Insurance Brokers Association of New York, which gets out the publication. Mr. Ellis' article gives a general picture of the situation, excluding life, personal accident and wet marine.

In general insurance on property contains war risk exclusion clauses while policies covering legal liability mostly do not. The latter even insure liability of assured for injuries caused by enemy action. The chances of fastening any such liability on property owners is very remote, Mr. Ellis writes.

Workmen's Compensation

Workmen's compensation coverage is not affected by the war and does not exclude personal injuries to employees caused by air raids, bombardment, and other war acts, or fifth column. The question is not one of coverage but whether such injuries fall under the workmen's compensation act. It is possible that the labor board might refuse to make awards where injuries are caused by war acts. If such awards are made, however, and insurers contest the validity of the labor board's action on the ground that such injuries did not properly arise out of and in the course of the employment, this action should not weaken the force of compensation insurance. The insurer would still be obligated to protect compensation policyholders against any awards ultimately held valid.

Injuries to air raid wardens bring up a complicated question, Mr. Ellis states. Here again the coverage protects the employer, but the question is whether the compensation act authorizes the labor board to make an award against the employer for injuries to wardens and other employees while engaged in civilian defense duties. The wardens might be acting in a dual capacity at the time of injury.

O. L. & T. Situation

Brokers believe that O. L. & T. policies cover definitely during air raids, Mr. Ellis writes. Although there would be slight chance of assured's being held liable for injuries to the public by actual bombings, if such claims are made, they probably are covered by the O. L. & T. policy and should be defended by insurer.

Mr. Ellis suggests that prompt equipment of buildings with apparatus to fight fires caused by air raids, and training of competent employees to fight such fires, may reduce the possibility that assured will be held liable for injuries by an air raid because of negligence. Another possibility is that unless such equipment is soon provided for buildings the insurer may be tempted to cancel the coverage. If a building or wreck of it is allowed to remain for an undue period in the dangerous condition, claims might be established and insurance might not cover.

Insurers are disposed to be liberal in interpreting the automobile fire contract and to consider blackout damage covered. Some general decision may be reached later. Because auto fire policies do contain a war risk exclusion and auto liability policies of some companies do not, Mr. Ellis suggests that it would be possible to cancel collision insurance in fire companies and add it to such automobile liability policies as do not exclude war risk. The short rate penalty, however, would be severe.

There is reason to believe that the plate glass companies now are considering using war exclusion clauses, he stated.

Under boiler policies there is a re-

Allen to High Place in Surety Body

NEW YORK—E. M. Allen, executive vice-president of National Surety, was elected chairman of the executive committee of the Surety Association of



E. M. ALLEN

America at its annual meeting here. He succeeds A. F. Lafrenz, president of American Surety, who held the office for the past five years, and who asked that he be relieved of the responsibility.

Fireman's Fund Indemnity replaces Great American Indemnity on the executive committee, while Fidelity & Deposit and Maryland Casualty, whose terms had expired, were reelected.

A new constitution and by-laws were adopted.

quirement that any damage insured by the policy must be accidental, and it is doubtful that, although the companies have not included a war risk exclusion clause in such policies, the companies would pay such claims. Boiler insurance officials of various casualty companies now are discussing the question and may seek to add a war risk exclusion clause to outstanding policies by endorsement.

There is no war exclusion in burglary policies as a rule. They usually cover loss from "within the premises occupied by the assured." Consequently, looting from within damaged premises would seem to be covered, but looting of valuables spilled out of premises by collapsed walls and floors would not seem to be covered. Mercantile burglary apparently would have no protection should premises be cracked open by bombing, since forcible entry leaving visible marks would not be involved.

Almost all fire insurance, use and occupancy, sprinkler leakage, riot, civil commotion and explosion covers, and rents insurance policies carry war risk exclusion clauses. So do fine arts insurance, tourist floaters, and inland marine covers in general.

Extended Cover Partially Protects

The extended cover endorsement gives partial war risk protection. The principal change on Dec. 15 was to substitute "engaged in hostilities" for "war-like operations," and "civil commotion" for "civil strife." Also "fifth column" activity is not so clearly excluded.

Apparently, therefore, the extended coverage endorsement, as now revised, continues in war time to cover the same hazards of explosion and aircraft damage as in peace time except for enemy action and damage by U. S. armed forces when actually engaged in hostilities.

Few brokers approve the exclusion of damage by civil "commotion," rather than civil "strife," caused by any of the excluded risks, because "commotion" is much milder than "strife" and therefore the exclusion is harsher.

Mr. Ellis described the situation with respect to war risk and bombardment insurance as offered by the War Insur-

Bureau Revises B. I.-P. D. Rates Country Wide

Increase Is Heavy on Property Damage, Nominal on Bodily Injury

NEW YORK—Changes in rates for automobile bodily injury and property damage coverages were made effective by the National Bureau of Casualty & Surety Underwriters Jan. 12.

Private passenger car rates have been revised in some or all of the rating territories in 34 states, and on commercial automobiles in some or all of the rating territories in 18 states. The overall effect of the revision is an increase of 3.5 percent in premiums for bodily injury and property damage on private passenger cars and 1.8 percent on commercial type vehicles. The big change is on property damage, where the increase is from 20 to 30 percent in many states. The increase on bodily injury is nominal.

Private passenger car changes were made in Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Wisconsin and Wyoming.

Commercial Auto Changes

Changes on commercial automobiles have been made in Arizona, Arkansas, Colorado, District of Columbia, Florida, Idaho, Illinois, Indiana, Kansas, Michigan, Mississippi, Missouri, New Mexico, Ohio, Pennsylvania, South Dakota, Tennessee and Vermont.

In general, the property damage rates have gone up more and in more territories than the bodily injury rates. For instance, in California there has been no increase in bodily injury rates for private passenger cars in any of the nine territories in that state. This is for classes A-1, A and B. But the rates for property damage have gone up in every instance, in all territories. The property damage increases for A-1 by territories are: 1, from \$7.50 to \$9; 2, from \$6 to \$7.50; 3, from \$6.75 to \$8.25; 4, 5, and 6, from \$6 to \$7.50; and 7, 8 and 9, from \$4.50 to \$6. The average property damage increase for the state is almost 30 percent. In Florida the hike was about 30 percent.

In Indiana the A-1 classification formerly took a \$20.25 bodily injury premium and now takes \$20.50 in territory 1. But the property damage premium has advanced from \$7.50 to \$9, and was increased on the average about 25 percent for the state.

Figures for New Jersey

In New Jersey, territory 1, the A-1 classification formerly took a bodily injury premium of \$45 and now takes \$40.50 premium, with property damage advancing from \$9 to \$10.50. In territory 1 (CONTINUED ON PAGE 29)

ance Corporation as "very loose" at present.

"If the total of all claims does not exceed \$100,000,000, any loyal American citizen would probably be properly reimbursed by the government for air raid damage until some better scheme is evolved," he said.

ACCIDENT AND HEALTH

"What to Expect in '42" Mid-Year Theme

"What to Expect in 1942" will be the theme of the mid-year meeting of the National Association of Accident & Health Underwriters at the Hotel Muehlebach, Kansas City, Jan. 26-28.

Monday morning will be given over to registration, and the usual convention opening procedure. Monday afternoon there probably will be two or three nationally known speakers on education and perhaps bureau, conference or company subjects. Some time will be devoted to the Leading Producers Round Table and there will be a local association section that afternoon.

Tuesday is set aside for an all-day sales congress dedicated to "Pattern for Production." The "ideas of aces" on production subjects will be presented in continuity, so there will be little overlapping in the schedule. The sales congress luncheon and a banquet also are on Tuesday's program. There will be a breakfast session of the regional directors organization that morning.

Wednesday is set aside for National association committee meetings, for companies to hold meetings with their agents and similar separate meetings not of interest to all attending the convention.

W. G. Gates New President of Cleveland Association

CLEVELAND—Warren G. Gates, Loyal Protective Life, has been elected president of the Cleveland Accident & Health Association, succeeding Charles F. Stewart, Cleveland Insurance Agency. The new vice-president is A. W. Lorenz, Maryland Casualty; secretary, James T. Hinton, National Casualty, and treasurer, W. L. Horman, Retail Credit Company. New directors for three-year terms are W. J. Sullivan, Monarch Life, and Mr. Stewart.

At the annual meeting, Retiring President Stewart recalled the association's activities the past year. It sponsored one of its largest sales congresses, with an attendance of 486. It also started the first accident and health school to be sponsored by a local association, with 46 registered. Many successful association meetings were held with out-of-town speakers.

The association is continuing its school and is planning on another big sales congress just before Accident & Health Insurance Week.

O'Connor Tells Importance of A. & H. Organizations

ATLANTA—Despite the frequently heard plea that Americans are overorganized, E. H. O'Connor, agency manager of the accident department of Provident Life & Accident, told the Atlanta Association of Accident & Health Underwriters that the American way of life can be perpetuated only through strong organizations actively cooperating in their respective fields. LaFayette Davis, new president of the Atlanta group, presided. An intensive membership campaign is now under way.

Mr. O'Connor said that with the 1941 volume of accident and health business approximately \$32,000,000, it is now entitled to recognition as big business. He listed the following reasons why every producer handling accident and health should be a strong supporter of his local unit of the National Association of Accident & Health Underwriters:

To put the selling of accident and health insurance on the highest possible plane of service to humanity; to promote educational and legislative measures tending to reduce accidents and to improve health standards; to educate the public as to the need and benefit of accident and health insurance; to inform the

public as to the dangers in buying from unauthorized insurance organizations; to stress the importance of high standards of ethical conduct in the accident and health insurance; to support the principle of adequate agency service for every accident and health insurance policyholder; to educate and to encourage the better training of agents; to cultivate comradeship among members; to aid in directing and shaping accident and health insurance legislation; to bring about closer cooperation of agent and company; to sponsor sales congresses, Accident & Health Week and other special activities.

Mr. O'Connor warned that the only way to prevent unfriendly legislation looking to the establishment of government operated health and accident insurance plans on a compulsory basis is for the individual accident and health underwriters of the nation to do a better job of placing this protection more widely, with their association, as a strong organization representing millions of policyholders, having the right to be heard on legislative matters imminent to the American agency system.

Great Northern Life Has Family Group Expense Plan

The Great Northern Life in its monthly premium department is now offering a family group emergency expense insurance plan, through the use of the "home security" policy and the family group hospital and surgical expense rider.

For the father, accidental death and dismemberment indemnity and monthly income for accident or sickness disability are provided, plus hospitalization for 30 days at \$5 per day; up to \$25 miscellaneous hospital expenses and surgical operation according to schedule, running from \$5 to \$100; for the wife or mother, hospitalization \$4 per day and \$20 expenses, with the same provision for surgical operation, and for dependent children ages 1-18, \$3 per day for hospital, \$15 expenses and no surgical benefits.

For total accident disability, the father will receive half indemnity for the first 15 days and full indemnity thereafter for 12 months, with one-half partial for six months; half indemnity for the first 15 days for confining sickness and full indemnity thereafter for six months, with one-half non-confining for two months.

Much Interest Manifested in Executives Dinner

The Accident & Health Executives Dinner, sponsored by the Chicago Accident & Health Association, to be held at the Stevens hotel, Chicago, Jan. 22, is attracting even more interest than did the initial observance last year, which was outstandingly successful.

Harold R. Gordon, Health & Accident Underwriters Conference, chairman of the committee in charge of the dinner, reports that reservations already received assure an attendance of well over 200. There will be at least 60 or 70 from outside of Chicago, including prominent executives from both the east and west coasts. The fact that the conference will hold its mid-year meeting in Chicago the following day will serve to increase the attendance of company men. Many executives of bureau companies also will be on from the east.

The dinner will honor the presidents of the six accident and health organizations: Bureau of Personal Accident & Health Underwriters, Health & Accident Underwriters Conference, National Association of Accident & Health Underwriters, International Claim Association, International Federation of Commercial Travelers Insurance Organizations and Industrial Insurers Conference.

The monthly premium for men ages 18-50, class AAA, for \$500 principal sum and \$50 monthly is \$1. The monthly premium for hospital and surgical expense is \$1.35 for the father, \$1.25 for the wife and \$.40 for each child.

N. Y. Hospital Service Is Increasing Benefits

Associated Hospital Service of New York has announced increases in benefits to subscribers, effective Jan. 1, as a result of its favorable experience last year.

The discount allowance of 25 percent of the hospital's regular charges for semi-private service, which has heretofore been granted following the initial 21-day period of full hospital service in any contract year, is increased to 50 percent and extended to 90 days in any contract year.

In maternity cases and conditions arising out of pregnancy, the allowance of \$5 per day for 10 days will be increased to \$6.

A subscriber who elects private room hospital care is now given a liberal choice of alternative credits.

The organization is continuing enrollment privileges of about 6,000 men in the armed forces, for whom medical care is temporarily the obligation of the federal government. Subscription charges are discontinued for single men in the service and reduced for married men who wish to continue the protection for their families.

Dr. S. S. Goldwater, president, announces that \$1,500,000 has been set aside by the directors as a reserve to meet epidemic or war emergency demands, in addition to a surplus of \$3,671,885 reported as of Nov. 30, 1941.

Chicago Claim Association Discusses A. & H. Adjusting

There are more borderline cases involving settlement of accident and health claims with persons of questionable mental competency than is generally realized, A. G. Fankhauser, Continental Casualty, stated at the meeting of Chicago Claim Association Tuesday.

With borderline cases Mr. Fankhauser suggested the claim man remember he is settling a contract made at a time when there was no question of competency. Payment to the wife in such cases usually is satisfactory because of the responsibility of the husband to care for his family. The adjuster might get a personal hold harmless bond from the wife.

In a case involving a release on the basis of compromise, the adjuster should consider who is most likely to attack the release, and whether he should bring the wife into the settlement and get a statement from claimant's doctor as to condition.

C. O. Pauley, Great Northern Life, discussed "Accidental Means, Independently and Exclusively of All Other Causes." He cited several borderline situations. Courts generally hold that if an accident results from a criminal act, such as assault, the person assumes full responsibility for his act and cannot recover. But it is difficult to win a case where a person gets drunk and has an accident.

President Roy Phelps, Great Northern Life, announced the association membership now exceeds 100 for the first time.

United Holding Managers Gathering in New Orleans

The United of Chicago is holding its annual managers meeting in Hotel Jung, New Orleans, this week. All managers in Illinois, Indiana, Ohio and Michigan are attending. A special car took the managers south. The meeting is continuing throughout the week. The return trip will be made via Hot Springs, Ark., at which point arrangements have

War to Affect Accident and Health Underwriting

Speaking at the January meeting of the Chicago Accident & Health Association this week on the effect of the war on accident and health underwriting, Paul W. Stade, Lumbermen's Mutual Casualty, said that one effect, so far as the multiple line casualty companies are concerned, may be a lessening of the competition from other lines. In recent years, he said, accident and health has been so eclipsed by the rapid growth of other lines, especially automobile, that these lines have largely monopolized the attention of top executives. Speaking further in regard to this competition, he mentioned particularly the medical expense endorsement attached to automobile policies.

In regard to the war clause and the definition of what constitutes an act of war, he said that while this provision has been in policies for many years, there never before has been any necessity for such a definition. He declared that this and other problems can hardly be "solved" in the sense that a mathematical equation is solved, but that they are more likely to be transformed into something new.

In referring to the difficulties encountered in setting up general standards of underwriting, he spoke of the wide variety of carriers as well as of policies in the accident and health field and showed how their problems differ in many respects. In outlining the qualities necessary for a successful home office underwriter, Mr. Stade said that he must have considerable knowledge of law, in drafting policy contracts; accounting, in connection with reserves and their effect on the annual statement; salesmanship, to put out policies that are salable; claims, in order to control the loss ratio and assure a profit, and, most of all, a sort of intuitive sense, as a result of experience.

Donald E. Compton, Provident Life & Accident, regional director, and E. C. Budlong, executive secretary of the National association, called attention to the mid-year meeting of the National association in Kansas City Jan. 26-28 and urged a full attendance at that meeting.

been made for a sightseeing tour.

O. T. Hogan, president; J. R. Hogan, vice-president; J. R. Penrith, assistant secretary, and H. P. Maloney, assistant to the president, are representing the home office.

Mr. Hogan opened the meeting with a report outlining the United's progress during 1941, stating the company had completed one of the most successful years in its history, with a 100 per cent gain of premium income in its commercial department and an increase of \$9,000 in industrial.

Change Setup of Railroad Society of Cleveland

T. D. Eilers, president of World of Omaha and head of the insurance department of the Brotherhood of Railroad Trainmen of Cleveland, has resigned the latter connection. He will now take a more active part in the management of World, which writes accident and health exclusively. However, he will continue to make his residence in Cleveland and maintain his office in the Perry-Payne building there.

Mr. Eilers will continue to serve in an advisory capacity with the Brotherhood. His place as head of the insurance department is taken by T. R. Ziegler, who has been Mr. Eiler's assistant. Mr. Eiler has been most successful in his work at the Brotherhood. The assets of its insurance department are now in excess of \$22,000,000 and its surplus is about \$3,000,000.

World of Omaha in 1941 had premium income exceeding \$2,200,000, which is a very great increase over the figure of \$1,306,888 the previous year. The as-

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sets now exceed \$675,000, which is more than double the figure of a year ago.

Mr. Eilers was complimented highly by President A. F. Whitney of the Brotherhood on the work that he did in transferring the membership from the old beneficiary insurance to the reserve basis. Mr. Eilers has had the title of superintendent of the promotion department since 1933 and also has used the title supervisor of insurance when corresponding with insurance departments and others outside of the brotherhood. In his advisory capacity he now has the title of insurance counselor. The work of the promotion department includes securing new members as well as selling insurance.

Mr. Ziegler will be compensated by an over riding commission of 1 percent of the first 12 months premiums or any portion thereof on any new or converted business issued after Jan. 1 and for which premiums are paid. In addition, to provide a revolving fund to pay legitimate expenses of the promotion department, 1 percent of any new or converted life insurance issued effective as of Jan. 1 or later shall be deposited to the credit of this fund.

The new assistant superintendent of the promotion department is W. L. Hill, who has been a member of that department for some time.

President Whitney states that at the time the transfer of the insurance was authorized in 1931, the old insurance plan had a solvency of but 36 percent whereas today the insurance solvency is 106 percent. The insurance in force exceeds \$160,000,000. The ratio of membership to those eligible is 80.

Harold George in Baltimore

At the January meeting of the newly organized Baltimore Association of Accident & Health Underwriters, of which P. E. Ansel, Monarch Life, is president, Harold M. George, United States Fidelity & Guaranty, New York City, one of the organizers of the New York Accident & Health Club and one of its most active members, spoke on "What an accident and health organization can do for the individual member and what the member should do for the association," followed by an open discussion.

R. Glover Bauer, Jr., U. S. F. & G., spoke on "How we organized our buildings and their thousand tenants and employees for possible air raids."

Hospitalization for Farm Bureaus

The Farm Bureau Mutual Automobile of Ohio has arranged a group plan of hospital expense insurance for members of county farm bureaus. It also will be available for adult members of farm bureau members' families and for dependents of insured members between the ages of three months and 18 years. Monthly premiums will range from 70 cents to \$3.20.

Wis. National Has Big Year

The accident and health department of Wisconsin National Life reports the largest volume of new business in 1941 in the history of the department, with an increase of 37.4 percent over 1940. Premium collections increased 27.6 percent. The net premium increase was \$50,907, considerably more than for any previous year.

World Names Iowa Setup

World of Omaha has been licensed in Iowa. Benjamin J. and John J. Eilers have been appointed general agents for northern Iowa with headquarters at Clarion. M. L. Cramer has been appointed general agent for southern Iowa with headquarters at 516 Liberty building, Des Moines. Mr. Cramer previously was in the home office.

Woodmen Accident Sales Clinic

Thirty agents of Woodmen Accident attended a two-day sales clinic in Lincoln. Insurance Director Fraiser was special guest at the dinner. E. J. Faulkner, head of the Woodmen companies,

presided. Al DuTeau, General Motors, Nebraska, representative, spoke on "Business Conditions."

B.M.A. Has Big A. & H. Year

Accident and health premiums of Business Men's Assurance in 1941 increased \$371,451, to a total of \$2,683,090, a gain of 16 percent. Membership in the company's accident and health honor club gained 40 percent during the year.

Wichita Charter Meeting Jan. 19

WICHITA, KAN.—The charter meeting of the new Wichita Association of Accident & Health Underwriters has been set for Jan. 19. Responses from local accident and health offices indicated an initial membership of 50 or more. Bert A. Hedges, Business Men's Assurance, has headed the organization committee. A good representation is expected at the mid-year meeting of the National association at Kansas City.

Discuss Convention Plans in K. C.

The meeting of the Kansas City Association of Accident & Health Underwriters Jan. 16 will be devoted entirely to consideration of matters connected with the mid-year meeting of the National

association. Announcements will be made as to the program and speakers.

Lathrop Heads M. C. M. A.

Roy A. Lathrop, Minneapolis general agent of State Mutual Life, has been elected president of Minnesota Commercial Men's writing accident and health. Paul Clement was reelected secretary and general manager.

Denver to Have Sales Congress

The Denver Association of Accident & Health Underwriters will hold a sales congress, Jan. 23. E. F. Gregory, vice-president Security Life & Accident, is in charge of the program. He expects to get some of the men from the Pacific Coast who are going to the midyear meeting of the National association in Kansas City to stop off in Denver on their way to that meeting.

North American Life & Casualty has declared a dividend of 6 percent to stockholders.

Illinois Federation Meets Feb. 17

The annual meeting of the Insurance Federation of Illinois will be held Feb. 17, it was announced by J. P. Keevers, president, following a meeting of the executive committee. Mr. Keevers will appoint a program committee and nom-

inating committee. The meeting will be at the Union League Club, Chicago.

Rename Van Wagenen in Okla.

OKLAHOMA CITY—Roy Van Wagenen, manager Maryland Casualty, was reelected president of the Casualty & Surety Association of Oklahoma. George Wingo, National Surety, is vice-president and Hardy Houston, American Surety, secretary.

SURETY

Bonds Can Be Required on Deputy Sheriffs Guarding Michigan Defense Plants

LANSING, MICH.—A new source of surety business is seen arising throughout Michigan, particularly in the industrial counties where war production centers, as a result of an opinion by Attorney-general Rushton to the effect that local sheriffs may require that industrial concerns bond their factory guards who are deputized under sheriffs' departments.

While the opinion was asked by



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Sheriff H. A. Capron of Jackson county, it applies even more extensively in such huge war industry centers as those surrounding Detroit, Pontiac, Muskegon, Lansing, Flint, Saginaw and Bay City. Mr. Capron informed the attorney-general that more than 100 plant guards had been deputized by his department and that, unless separate bonds were provided for them, a huge liability would be created against the sheriff's bond.

Mr. Rushton held the sheriff would be responsible for acts of deputies and "cannot see any reason why you would not be justified as a consideration for the appointment of special deputies for private concerns, which special deputies are to be paid by them and designated to guard their property, in requiring that a bond be given to indemnify you against any loss."

In applying the rule sanctioned under the opinion, Mr. Capron is fixing the amount of bond according to the individual case. He said some manufacturers might furnish a blanket bond while in other cases the individual guards would be bonded, the premiums being paid by the employer. In still other instances, he indicated, the guards themselves might be required to obtain and pay for bonds. The Jackson sheriff himself is bonded for \$10,000 and deputies are bonded for \$1,000 each.

Bland, Stellwagen Are New Towner Bureau Directors

NEW YORK—R. Howard Bland, chairman of United States Fidelity & Guaranty, and H. P. Stellwagen, executive vice-president of indemnity of North America, were elected directors of the Towner Rating Bureau, at the annual meeting. They replace Vincent Cullen, president of National Surety, and the late E. C. Lunt, vice-president of Great American Indemnity. Re-elected as directors were Wilmot M. Smith, vice-president of Aetna Casualty; B. H. Bratney, vice-president of Maryland Casualty; Wallace J. Falvey, first vice-president Massachusetts Bonding, and Martin W. Lewis.

In turn the directors reelected Mr. Lewis president; J. L. Kirkwood, secretary and P. A. Zimermann, assistant secretary.

Ariz. Cantonment Bids Opened

LOS ANGELES—When bids for the construction of the Ft. Huachuca (Ariz.) army cantonment were opened, Morrison-Knudsen, Ford J. Twaits Co., Dell E. Webb Construction Co. group, bidding as a unit, had the low bid of \$9,032,205 for construction of 500 cantonment type buildings and utilities.

Fidelity & Deposit and Maryland Casualty, through their Los Angeles branch offices, and Pacific Indemnity originated the bonds on the project and furnished the bid bond for the low bidder.

Luther Nominated in St. Louis

ST. LOUIS—The annual meeting of the Surety Underwriters Association of St. Louis originally announced for Jan. 12 has been postponed to Jan. 26, on account of the illness of J. Earl Craig, surety manager, Aetna Casualty, the outgoing president.

The following nominees are scheduled for election: President, E. A. Luther, manager, National Surety; vice-presi-

dent, O. L. Curtis, assistant manager American Surety; secretary-treasurer, C. J. Crockett, surety manager, Maryland Casualty; executive committeemen: J. E. Auckley, assistant manager U. S. F. & G.; J. E. Craig, surety manager, Aetna Casualty; F. H. Doenges, manager Fidelity & Deposit, and W. W. Peterson, manager Standard Accident.

Warrack Elected in Seattle

Kenneth F. Warrack, Northwest manager of American Surety, was elected president of the Surety Underwriters As-

sociation of Seattle, succeeding J. Glen Liston, also with American Surety. Stanley W. Holbrook, John A. Whalley & Co., was elected vice-president, and Gerald L. Perry, Hartford Accident, re-elected secretary-treasurer. Executive committee men are W. Rourke, Aetna Casualty; A. A. Naef, Seeley & Co.; J. C. McCollister, McCollister & Campbell; J. Glen Liston, American Surety; and A. O. Stuber, Massachusetts Bonding.

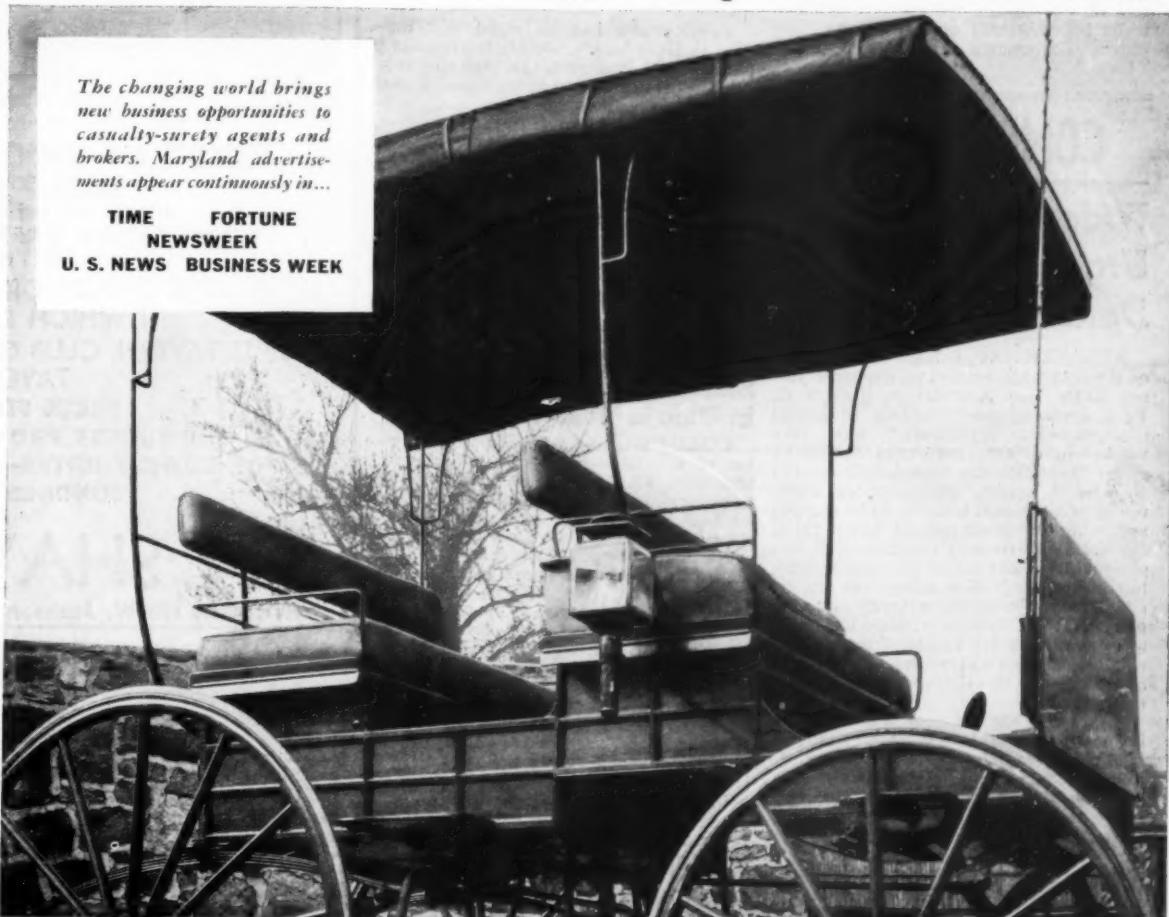
The association, which claims the distinction of being the oldest surety association in the U. S., having been in con-

tinuous operation for 39 years, will stage its annual dinner Jan. 29. Louis LaBow, Seattle agent, will be toastmaster.

Rules on New Nebraska Law

LINCOLN, NEB.—Attorney-general Johnson has issued a ruling that under the provisions of the 1941 law, county boards must pay the premiums on surety bonds for all county officers and their deputies, including deputy sheriffs. Officers elected prior to the law, who furnished their own bonds, should have them amended to include that sec-

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tion of the new statute which requires they contain a covenant which entitles the county to a refund on any unearned portion or the premium in the event of surrender.

If the premium has already been paid by the officer, he can secure a refund of the unearned portion from the date of its new acceptance by the county board.

W. G. Bounds N. Y. Speaker

NEW YORK—The "Assignment of Claims Act of 1940" was the subject of a talk by W. G. Bounds of the New York department of Maryland Casualty at the Surety Claim Men's Forum here. At the gathering Jan. 21 a representative of one of the federal law enforcement bureaus will discuss "Bank Employees Dishonesty Losses and Bond Thefts."

COMPENSATION

Wider Coverage Urged for Men in Defense Industries

NEWARK—At a luncheon meeting of the insurance section of the New Jersey State Bar Association, Joseph C. Paul, speaking on "Wartime Industrial Compensation Problems," said the worker in defense industries should be given the following consideration: (1) Priority in hearing his claim; (2) additional proportional benefits to be gauged according to his peace-time wage; (3) if the accident arises in the course of employment but not out of the employment, but is the result of a belligerent act, he should be covered; (4) priority as to replacement in employment after he is able to return to work. The employer or carrier, called upon to respond under item 3 above, should be reimbursed by the federal government.

"With the high rate of wage prevailing today," he said, "a worker cannot afford to lie around and wait for nature to take its course while a fracture or other injury heals. Again the defense worker today is so engrossed in doing his bit to turn out war material in order to make the world a better place to live that it hurts his pride to suffer an accident with resulting temporary disability and a possible reduction in physical ability. In this 'all out' war there is no worker, no boss—we are all workers—workers for a world democracy."

Civilian Defense Workers

He also declared that the civilian volunteer defense worker should be given the same protection as now is afforded the man in service as to coverage, provided he is injured while in the performance of his duty as a volunteer worker.

Most municipalities, he said, have a waiver form to be signed in which the volunteer agrees to work for \$1 a year and accept the provisions of Article 2 of the workmen's compensation law in New Jersey.

"A survey showed that one large company did endorse a policy to cover these men at the rate of \$7 per year per man, but that on Dec. 31 it expired and the company now refuses to renew it. Most accident policies have a war clause in them whereby they become inoperative under these conditions. Some provision should be made for these men and their dependents. England has provided for such volunteers."

He reviewed the government's plan for

cost-plus-a-fixed-fee contracts and the situation in connection with defense projects outside of the territorial limits of the United States. Because of the indefinite situation as respects liability for accidents under the laws of the islands or territories where these projects are located, the United States longshoremen's and harbor workers' act has been amended to provide specific benefits for United States citizens as well as natives working on these projects outside the territorial limits of the United States. The government plan is comprehensive in that it covers workmen's compensation, automobile liability and property damage. Time alone can tell just what the results will be, but so far it seems to be working out better than at first anticipated, he said.

Employment has increased 27.8 percent in New Jersey, weekly payrolls 46.3 percent, Mr. Paul said. In 1940 and 1941 first reports of accidents increased 67,000 from 50,000 of them last year. Compensable cases in 1939 totaled 21,587, in 1940, 25,585 and 1941 between 30,000 and 33,000.

Brief talks were made by A. R. Lawrence, chairman of the Compensation Rating & Inspection Bureau of New Jersey, and John H. Nolan, Newark manager of Aetna Casualty. Lionel Kristeller, chairman of the insurance section, presided.

Commission Member Says State Employees' Fund in Ohio Is "Insolvent"

COLUMBUS—C. H. Knisley, member of the Ohio industrial commission, who is seeking the Democratic nomination for governor, has announced that he will not approve any more claims submitted by injured state employees because of the alleged "insolvency" of that division of the state fund. He said that up to Nov. 1, 1941, awards have been paid to state employees in an amount of \$4,294,283, which exceeds total premiums by \$195,406, making an overdraft which has been paid from funds contributed by local subdivisions.

Mr. Knisley says premium payments made by the state through legislative appropriations are inadequate to meet claims and as a result the commission is actually dipping into the premiums paid into the fund by local subdivisions, which funds are required to be kept separate from the state employees fund.

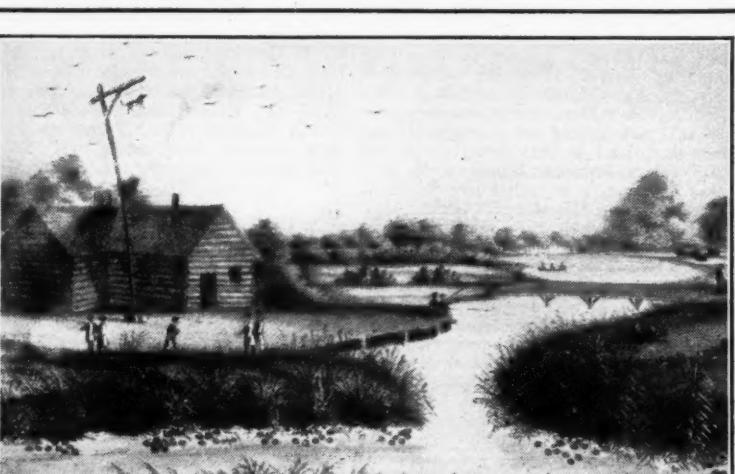
Cal. State Official Discusses Compensation Problems Created by War

In his December report to the governor's council, George G. Kidwell, director of the California department of industrial relations, states that the declaration of war creates new and novel legal problems in the workmen's compensation field, particularly in California where there is a large alien population and large numbers of naturalized citizens with dependents in enemy countries.

Among the problems presented and being considered are the following: If an enemy bomb should drop on an aircraft plant, would the resulting injury arise out of the employment? What effect did the "freezing" orders of the President have on the payment of compensation benefits to resident and non-resident nationals of the countries affected by such orders? What further effect will actual hostilities have upon such payments to residents and non-residents of the countries with which the U. S. is now at war? What effect will these new conditions have on the

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commission's procedure in such cases? What is the status of the thousands of citizens who are taking and will take part in the civilian defense project; are they employees or mere volunteers?

Volunteer Defense Workers

In connection with the state compensation fund, one of the most pressing problems, according to the report, is that of medical treatment and compensation during disability for volunteer civilian defense workers, such as air raid wardens. Being volunteers and not employees, there is a real question as to whether they are entitled to any benefits under the California compensation act.

Various municipalities will have from a few hundred to many thousands of active volunteer civilian defense workers. Some of the smaller cities are adjacent to military objectives and therefore will utilize proportionately more volunteer defense workers than larger cities not so situated. The cost of providing medical care and compensation benefits for these workers is a real problem.

Some, possibly many, of these volunteer workers will be seriously injured in blackouts, and Mr. Kidwell suggests that the legislature adopt some plan to remedy the present uncertain status of such volunteers.

Propose Va. Rate Cut of 5.2%

Public hearing has been called by the Virginia Corporation Commission for Feb. 12 on the proposed revision of compensation rates in the state. The companies have filed new rates providing for an average reduction of 5.2 percent. For the manufacturing group, the reduction will be 8 percent, contracting 5.2 percent and others, 3 percent. Last year there was 3.9 percent reduction.

Employers Liability there, holding various underwriting positions.

Erickson Temporarily in Chicago for American Cas.

L. H. Erickson, vice-president American Casualty at the home office at Reading, Pa., will be in Chicago for about a month arranging details following the resignation of Edward Morse, Chicago manager, who joined Manufacturers Casualty in the same capacity. It is expected that a new manager will be appointed shortly after Mr. Erickson returns from the agency meeting of the

Pittsburgh branch at Pittsburgh today. H. G. Evans, president of the company, was in Chicago for a few days last week.

U. S. F. & G. Los Angeles Shifts

LOS ANGELES—D. L. Gogerty, district supervisor in the Los Angeles branch office of United States Fidelity & Guaranty, has resigned to enter the local agency of Conway-Pinnell, Huntington Park, Cal.

J. S. Rowe, who has been with the office for a number of years, recently in the underwriting department, succeeds Mr. Gogerty as field supervisor. Gerald

Dempsey, now with the Los Angeles office of St. Paul-Mercury, succeeds Mr. Rowe as an underwriter.

Henshaw Assistant Agency Head of Hartford Boiler

Wallace H. Henshaw has been appointed assistant superintendent of agencies by Hartford Steam Boiler.

Mr. Henshaw joined the company in 1936 as a special agent in the Hartford department, covering eastern Connecticut, central Massachusetts and a part of Vermont. In January, 1940, he was transferred to the home office agency de-



CHANGES

Morse Manager of Manufacturers

Manufacturers Casualty has appointed Edward W. Morse as manager of its Chicago branch office. He has resigned at Chicago as resident branch manager of American Casualty in Illinois.

Mr. Morse entered the insurance business as an employee of Continental Casualty in Chicago, being variously, special agent and service office manager.

He was seriously injured in an automobile accident, and during the period of recovery he was comparatively inactive in the business.

Then he entered the employ of the Standard Surety & Casualty as special agent in Illinois, working out of the Chicago branch office. Subsequently, he became assistant manager of that office.

After four years Mr. Morse joined the American Casualty as resident manager in Illinois, the position he had held for the last 4½ years.

Moore Takes Casualty Post in Midwestern Branch

R. N. Moore this week was appointed in charge of the casualty department in the midwestern division office of Fireman's Fund Indemnity, Chicago. He resigned from an underwriting position with Massachusetts Bonding there which he had held since 1938.

Mr. Moore is associated with R. C. Folley, assistant manager in charge of the office, who has been handling the casualty department.

Starting with Ocean Accident at Chicago in 1920, Mr. Moore became an underwriter. In 1927 he went with

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partment to take over the editing of the company's technical magazine, "The Locomotive."

Following his graduation from the engineering courses of Brown University in 1923, Mr. Henshaw was for several years with the boiler and machinery underwriting department of Travelers Indemnity.

Larter With Ohio Casualty

Arthur E. Larter, who has been in field work for Great American Indemnity, has joined Ohio Casualty in its eastern department at Philadelphia as a member of the production staff. He is a graduate of the University of Virginia and has been with Great American Indemnity for several years.

U. S. F. & G. and Fidelity of Canada have appointed Albert W. Robinson assistant supervisor for eastern Ontario. He replaces R. P. Airey, who is on active service in the air force.

COMPANIES

Seek to Block \$491,000 Levy Against Defunct Mutual

MADISON, WIS.—Policyholders of the defunct Wisconsin Mutual, automobile carrier now being liquidated by the Wisconsin insurance department, have formed a protective committee to resist the \$491,000 assessment levy ordered by the insurance department. The committee has engaged an attorney and opened offices in Madison at 119 East Washington avenue. H. A. Hinze, Sheboygan, is chairman. Notice has been sent to policyholders questioning the validity of the assessments and charging the excessive attorney's fees that are anticipated in handling the liquidation of the concern.

The message to policyholders points out that the insurance commissioner in 1938 held that the company would be solvent upon the payment of \$35,000 in bonds and cash. This raises the question whether the insurance department can now reverse itself and attempt to hold policyholders for an assessment for 1937 and 1938. The company was not relicensed in Wisconsin in 1940 which raises the question as to whether the policies sold during that year were legally issued and subject to assessment. It is held that losses amount to only \$190,000 which includes a probable \$40,000 for liquidation expenses and attorneys fees. In view of this, it is held the assessment is too large, even taking in account the uncollectable factor.

To Convert to Stock Basis

Colonial Mutual Compensation, Los Angeles, is converting to a stock carrier. The directors have submitted a tentative program to the insurance commissioner.

Countersigning Fees Are Part of Overdue Premiums

In analyzing the overdue premium account at the end of the year, company executives are struck by the fact that a considerable portion of the amount consists of countersigning fees which the originating agent declines to pay. In the aggregate this is probably not a major sum, but most of the companies find that they do have some agents who simply refuse to admit their liability to pay such countersigning fees and will not settle the account.

Iowans Discuss Auto Rates

DES MOINES—Representatives of Iowa mutual and nonconference stock casualty companies will meet in Des Moines next Tuesday to discuss automobile insurance rates. The group is

NEWS OF CASUALTY ASSOCIATIONS

Explorer-Agent to Address Board

MILWAUKEE—Anson Walker Perkins, Kenosha, Wis., life man, who was a member of Commander Byrd's first Antarctic expedition in 1928-1930, will relate some of his experiences on the trip to and from the south pole at the annual meeting of the Milwaukee

during "blackouts" without lights contradict provisions of the state motor vehicle code, which prohibit operation of any car without headlights after a fixed period following sundown, it was pointed out. The question also was raised as to the authority of the army to enforce a blackout without martial law having been declared.

Sheehy San Francisco President

SAN FRANCISCO—Henry G. Sheehy, manager Massachusetts Bonding, San Francisco, has been elected president of the Casualty Association of California; R. L. Countryman, Norwich Union Indemnity, vice-president, and George W. Kemper, Fireman's Fund Indemnity, secretary-treasurer. Mr. Sheehy succeeds R. D. Weldon, American Surety. Mr. Kemper is serving his 10th year as secretary-treasurer.

Shallberg Phila. President

L. E. Shallberg, Philadelphia manager of Zurich, was elected president of the Casualty Underwriters Association of Philadelphia at the annual banquet meeting. He succeeds Frank A. Roberts, Philadelphia manager of Glens Falls, who was recently transferred to the home office. The new first vice-president is E. W. Helm, Jr., New Amsterdam; second vice-president, C. E. Howard, Jr., Royal Indemnity, and secretary, D. E. Maclay, Great American Indemnity.

N. H. Adjusters Hear Schooley

MANCHESTER, N. H.—The New Hampshire Casualty Adjusters Association at a dinner meeting here heard an illustrated lecture on claim frauds by R. W. Schooley of New York. President Frank A. Clinton of Concord presided.



ANSON WALKER PERKINS

Board of Casualty & Surety Underwriters, Thursday night, Jan. 22.

Holds Congressional Medal

In 1921 he entered life underwriting with Northwestern Mutual. In 1928 he joined the Byrd expedition, leaving on the "City of New York" and transferring to the "Eleanor Bolling" at New Zealand as quartermaster of the supply ship. On his return he was awarded the gold Congressional medal for exploring service. Since 1935 he has been with New York Life at Kenosha.

The nominating committee of the casualty board has prepared the following slate of candidates: Theodore Johnson, R. R. Elsner agency, for a second term as president; Bert F. Zinn, Zinn agency, vice-president; Robert C. Pittelkow, Chas. Pittelkow & Son, secretary; A. A. Vietenhaus, Dick & Reutemann Co., treasurer. Three directors also will be elected.

Elect Los Angeles Officers

LOS ANGELES—The Casualty Insurance Underwriters Association of Los Angeles elected these officers: President, George Neal, Employers Casualty; vice-presidents, A. L. Harrison, Marsh & McLennan, and G. V. Wagner, American States; secretary, Edward Kocher, Commercial Standard; recording secretary, Thomas Miller, Pacific Fire.

View Blackout Regulations

LOS ANGELES—Blackout regulations in relation to traffic were reviewed by F. E. Petts, C. E. R. Fulcher, and Hugh Rotchford, attorney members, before the Casualty Insurance Adjusters Association of Southern California in a round table discussion.

Ordinances passed by municipalities providing for automobiles to operate

expected to increase rates for their companies in line with the conference company boost. They may also discuss a possible ban on convertible collision insurance.

handled a great volume of work, insisting on handling the investigations, settlement and trial work on every case. Judges were always after him to get some other lawyer to handle some of his trial work in order to relieve the congested docket. Although he had a large staff of assistants, he personally directed all proceedings. In commenting on his death, one court clerk remarked that the profession had lost a one-man institution.

Mr. Bloomington died in Philadelphia where he had gone on a business trip to the home office of General Accident, his principal client. He also represented Commercial Casualty and American Casualty as well as a number of clients outside the insurance business.

Mr. Bloomington also represented American Surety and Lumbermen's Mutual Casualty. Ben W. Goldman, Mr. Bloomington's office associate for 11 years, and Emil Kamin, a former office associate, are forming a partnership to serve Mr. Bloomington's clients.

For several years Mr. Bloomington was general counsel for the Yellow Cab Company in Chicago. Despite the great pressure of his outside trial work, he always personally went over each claim against the cab company.

Mr. Bloomington graduated from the University of Michigan in 1896 and from its law school two years later. He was a star football player and he drew upon his athletic prowess in dramatizing accidents in his trial work, making a marked impression on his juries.

C. F. Butler, 63, claim superintendent of American Surety in Memphis, Tenn., and a member of its staff 24 years, died there following a brief illness.

Confer on Boiler Equity Plan

(CONTINUED FROM PAGE 19)

ana, New Mexico, New York, North Carolina and Washington. To be eligible for treatment under the plan, each risk or the combination of such risk must develop a three-year manual premium, for all states combined, of not less than \$500 for boiler, \$1,000 for machinery and \$1,000 for boiler and machinery combined.

In submitting a request for special risk rating complete information must be given regarding the premium reduction desired, not to exceed 25 percent, any special conditions existing with respect to the risk, the reduced rate of commission and any other pertinent facts. No special risk rating will be considered unless the request contemplates some commission reduction.

For new business, information shall be submitted to the home office at least 20 days prior to the date on which rates must be quoted. There must be a letter of authority from the prospective assured. New business risks are defined as uninsured risks or risks not insured in bureau companies.

For renewal business, only the carrying company shall have the right to request the authorization of special risk rating, but copies of such rating will be available to inquiring bureau companies. Renewal business risks are those expiring in bureau companies and risks that are canceled and rewritten in the same company.

Some agents envision the possibility of a rather demoralized competitive situation under the operation of the plan. The scheme is devised to help bureau companies and their agents retain existing business against non-bureau and mutual competition and also to give bureau companies a competitive weapon in going after risks now insured in non-bureau or mutual companies. However, some believe there is danger that sharp shooting tactics may develop whereunder agents indiscriminately may cause assured to become restless by bringing to their attention the commission and rate reduction rule. It is not

PERSONALS

The late **B. A. Page**, who was vice-president in charge of accident and health of Travelers, left an estate of \$237,306, according to a document admitted to probate in Hartford. The estate included 150 shares of Travelers stock noted at \$60,300 and there were five Travelers insurance policies totaling \$45,000.

Dudley R. Gallahue, president of American States, has been appointed director of tire registration for Indiana. Already many tire thefts have been reported. Mr. Gallahue pointed out in a newspaper interview that insurance policies do not guarantee replacement of tires but the companies have the option of refunding to the owner their cash value.

Joseph F. Flynn, general agent of American Credit Indemnity in Chicago, has been elected president of the Agents Association of that company.

W. Lee Baldwin, president of Security Life & Accident of Denver, has been confined to the hospital for the past two weeks with painful sacro-iliac trouble.

William H. Jackson, Philadelphia manager of Guarantee of North America, is observing his 50th anniversary of service with that company. He joined Guarantee at Montreal and in 1908 was appointed Philadelphia manager.

DEATHS

Forrest J. Buzzell, 65, retired casualty manager of Travelers in Manchester, N. H., with the company 34 years, 19 in Manchester, died there.

Chicago lost one of its most colorful insurance trial lawyers in the death of **John A. Bloomington**, 68. Noted as a diligent worker, Mr. Bloomington

permissible for one bureau company to take a risk away from another by means of equity rating procedure but it is recognized that sharp maneuvering is not out of the question.

The John C. Paige & Co. agency of Boston has been particularly active in expressing opposition to the plan and has sent telegrams throughout the country to companies and to agents seeking to bring about impressive opposition.

Although the rate concessions that are granted to individual risks are to be treated confidentially, some observers believe that the large buyers at least are likely to compare notes, and one who finds that his discount is less than another's is very likely to be heard from. Such comparing of notes, it is believed, would take place especially among those attending the meetings of the insurance section of the American Management Association.

Bureau Revises B. I.-P. D. Rates

(CONTINUED FROM PAGE 21)

tory 2, the figures for New Jersey on A-1 are the same for bodily injury; that is, \$50.25, but the property damage premium is advanced from \$9.75 to \$11.25.

The WXY classifications have been eliminated for all jurisdictions of the bureau except Maine and Alaska. A few of the 22 states or jurisdictions which still had the three classifications based on car price range used them for only a few territories. It made it a complicated setup when the A-1, A, B and C symbols were superimposed upon the W, X, and Y classifications. In recent years there has been a gradual elimination of use of the symbols.

Changes in Illinois

Territory 1 in Illinois, which covers Chicago, has a new bodily injury rate of \$26.25 for A-1 cars, and a property damage rate of \$9.75. This compares with the old A-1 rate of \$25.50 for W type cars, \$25.50 for X cars, and \$30 for Y cars on bodily injury, and \$8.25, \$8.25 and \$10.50 on property damage. The old bodily injury rates for territory 3, Chicago suburban, were \$20.25, \$20.25 and \$23.25, compared with the new single A-1 rate of \$20.25; and the old property damage rates were \$7.50, \$7.50, and \$9.75, compared with a new single A-1 rate of \$10. In territory 7, outstate embracing several Illinois areas, the old bodily injury rates were \$10.50, \$11.25, and \$15.75, compared with the new rate of \$13.50; and the property damage rates were \$3.75, \$5.25 and \$6.75, compared with a new one of \$6. The average increase on property damage in Illinois is about 20 percent for private passenger cars, around 12 percent for commercial cars.

In territory 1 in Michigan, the old bodily injury rates were \$17.25, \$17.25, and \$20.25, compared with a new single rate of \$17.25; and the old property damage rates were \$6.75, \$6.75, and \$7.50, compared with \$8.25. The average property damage increase for private passenger cars for this state is about 25 percent. In Minnesota, territory 1, the old rates were \$32.25, \$32.25, and \$42, compared with \$30, for bodily injury; and \$12.75, \$12.75 and \$15.75, compared with \$12.75, for property damage.

Few Revisions in New York

In New York the rates for private passenger cars remains the same. Public auto rates have undergone slight changes, both up and down.

Where the old W, X, and Y classifications were used, the new rates represent a reduction in many territories for insurance on the Y, or heavier, private passenger cars. This bears out the experience of the companies.

The surcharge of 10 percent provided by subdivision (c) of the rule on certified risks under financial responsibility laws was reduced to 5 percent.

The bureau states that rate changes

have been confined to territories and classifications for which they are definitely required by experience. It points out that the experience has been especially unfavorable on property damage liability due principally to the increase in accidents and rising cost of labor and material. The revision does not reflect experience for 1941 in any way. This experience will not become available in a form for rate making purposes until the latter part of 1942. Increased accidents and further rises in labor and material costs were not taken into consideration in making the changes because of the unpredictable nature of conditions in 1942.

N. Y. Report on National Bureau

(CONTINUED FROM PAGE 19)

The practices and procedure involving interstate risks having New York locations is the subject of a special investigation now in progress.

After reciting the procedure followed with respect to alleged violations, the report recommends that each month the bureau file with the department a summary of New York state violations and the method of their disposition.

With respect to automobile business the examiners recommend a restudy on the bureau of the formula for commercial car rating, so the experience may be had, not only as to territories, but by rate class and load capacity as well.

In the course of their study the examiners carefully checked all factors entering into rate structures and made extended calculations of their own to the experience in each division of insurance. In the light of revealed results the examiners made a number of suggested changes in rating procedure, and also urged that close cooperation be had as between stock and nonstock carriers on lines in addition to automobile. While the report contains numerous recommended changes in existing bureau practice, no harsh criticism is made of any feature, the suggested alterations being in the main such as might be adopted by the bureau without undue hardship.

The examination, it was made clear, is concerned with operations affecting New York State risks only.

Report on Examination of Prudence Life of Chicago

The Illinois department has issued a report on the examination of Prudence Life of Chicago as of Aug. 31, 1941, showing assets \$41,596 and unassigned funds \$12,709. This concern which was started in 1937 by Alfred Holzman as an assessment legal reserve life company has principally been selling accident and health and hospitalization business. Its premiums for the first eight months of 1941 in the casualty department were \$131,922 and payments to policyholders \$46,961. Casualty commissions paid were \$27,723 and cost of operation \$79,239.

The examiners state that Prudence Life had an exceptionally rapid growth of premium income but during the first years of operation heavy administrative agency costs retarded accumulation of surplus and surplus contributions had to be got. Prudence Life has reduced expenses in the last two years, following the greatly increased premium volume. During 1938-39 claim ratios were lower but in 1940 and '41 there have been substantial increases in losses and if this trend continues, according to the examiners, there must be continued economies effected in operating costs.

Insurance Director Jones states that Prudence Life has made interest payments on guarantee fund certificates contrary to the provisions of the Illinois code and that this must be stopped. The examiners state that President Holzman's salary payments should be made in definite weekly, bi-monthly or monthly installments. It has not been paid periodically in definite uniform amounts.

The company was getting business from about 200 agents but there were no written agency contracts. According to the management agents get the first month's premium on life insurance and a policy fee in a total amount not to exceed \$5. Renewal life commissions arise from a contract entered into in 1937 between Prudence Life and the late Darby A. Day covering the rewriting of Lawyers Mutual Benefit.

On health and accident the agent retains the first month's premium or \$5, whichever is greater and receives a renewal commission of 10 percent. There were outstanding guarantee fund certificates totaling \$26,500, which had been issued to President Holzman and had

been assigned by him to Clara E. Holzman, C. E. Holzman, Sylvia Marx and Burt W. Marx. They provided for 7 percent cumulative interest and total interest payments of \$1,365 had been paid.

Paul E. Edwards of Indianapolis, general manager of Farm Bureau Mutual, a reserve officer, has been called into the army. He is a lieutenant and is stationed at Fort Benjamin Harrison, Indianapolis.

Auto Staff Men Hold Parley

NEW YORK—The staff of the National Automobile Underwriters Association is holding its annual session here. The gathering is attended by branch secretaries, W. T. Barr, San Francisco; E. L. Rickards, Chicago; Claude Patterson, Atlanta, and Fred Herring, New York.



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Credit Insurance Gains, Outlook Bright for 1942

(CONTINUED FROM PAGE 21)

paired not merely with the particular credit or involved but with all other creditors who are or might be insured by the company writing the insurance.

Insurer Never Quits

As compared with a collection agency a credit insurer is in a position to do a vastly more thorough job. Since an agency can afford to be interested only to the extent of its fee, it follows that it must concentrate its efforts on those accounts where the expense of collection will not exceed the fee. The insurance company on the other hand must make good to the creditor any amount that it fails to retrieve from the debtor so the idea of quitting never enters the insurance man's mind.

Offhand it would seem that appraising the credit standing of buyers would be such an inherent part of the risks of doing business that it would not be economical to purchase insurance against it. Actually, however, it is analogous to fire insurance. A manufacturer could afford to self-insure fire losses up to a point but would be foolhardy to carry the risk of a heavy loss. Similarly creditors expect a certain loss ratio. This figure is agreed upon when the policy is written and acts as a deductible.

Protects Against Shock Losses

It is the heavy loss, perhaps the failure of two or three large debtors, that must be guarded against, for it could turn an operating profit into a bad loss for the year. Credit insurance makes it certain that operations will not be affected by abnormally heavy credit losses. While in some years it might have proved cheaper to have self-insured the credit risk companies are usually well pleased to pay the premium and be assured of protection against a shock loss in any particular year.

A strong sales argument for credit insurance is to point out to the manufacturer or wholesaler that even though he stored his goods in a fireproof warehouse he would not think of failing to carry fire insurance. Yet when he ships these goods out to buyers they are still his merchandise until paid for but they are subject not only to the fire hazard but many other hazards as well. In fact one way of looking at credit insurance is to consider it as becoming whatever type of insurance is needed, as far as the creditor's interest is concerned. If there is a fire, it becomes fire insurance, if the creditor dies it is life insurance or if there is some other disaster it may become casualty coverage.

Two Plans Used

Credit insurance is written on two plans and sometimes a combination of both. The most usual form does not name the debtor but sets up limits of liability as a ratio of the debtor's published credit rating. The other form names the debtors and is usually employed when there are only a few debtors to be insured or when the other type of insurance is written but one or a few debtors are to be extended particularly large lines of credit.

The value of credit insurance shows up very definitely following a war, when there are drastic readjustments to be made. Following the last war there were many firms with the highest credit standing which got into trouble in the readjustment immediately following the end of the war. The need for protection may be even greater following this war, since heavy taxes of various kinds will probably prevent corporations from building up the surpluses which enabled many companies to weather the severe postwar conditions of a generation ago.

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Chicago Distaff Group to Hear Two Noted Women

The Insurance Distaff Executives Association of Chicago has scheduled two important speakers at meetings soon to be held. Mrs. James G. Shahan, president Women's Symphony Orchestra, Chicago, will speak at a

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meeting Jan. 22 on "Woman's Symphony Orchestra of Chicago—Organization and Accomplishments." Eva Davies, acting secretary, is receiving reservations. Mrs. K. L. Belcher is program chairman.

Beatrice Jones, Equitable Society, New York, president of the Life Underwriters Association of New York City, will be a guest of honor.

will address a meeting Feb. 9. She will stop off in Chicago enroute to Oklahoma to receive an honorary degree from the state university in recognition of her outstanding ability. She is a sister of Garland Kahle, Equitable Society, Chicago, past president of the woman's division there. Mrs. Kahle

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Hickey Nominated for President of St. Louis Board

ST. LOUIS—K. Myron Hickey, vice-president St. Louis Mercantile Agency, is scheduled for election as president of the St. Louis Board at the annual meeting Jan. 20. He will succeed John J. O'Toole, secretary F. D. Hirschberg & Co., who is now completing his third term as president.

The nominating committee for the Class 1 members also moved the following: Vice-president, J. Garneau Weld, president Charles L. Crane Agency; secretary, Robert J. O'Brien; treasurer, Oden D. Prowell, George D. Capen & Co., and for Class 1 executive committee members, L. E. Bright, vice-president Lawton-Byrne-Bruner Agency; Mr. O'Toole; A. E. Weissenborn, Weissenborn & Reynolds agency, and Frank O. Watts, Jr., vice-president Ploeser, Watts & Co.

Class 2 members have nominated the following executive committeemen: C. E. Drozda, H. A. O'Rourke, W. H. Finke, Sr., and A. G. Kuehner.

Registered brokers have named the following nominees for executive committeemen: J. F. O'Boyle, Charles L. Crane Agency; W. W. Westlake, Laclade Agency; H. G. Sawtelle, Maryland Agency, and Fred E. Maginity, Lon W. Harlow & Co.

At the annual meeting the members will also vote on a proposed by-law amendment providing for registration of all brokers to whom commissions are paid by members, real estate agents, real estate mortgage loan agents, representatives of building and loan associations, non-resident brokers and office employees. The amendment changes "who may be employed" to "whom commissions are paid."

New officers and executive committeemen will be officially presented to the membership at a dinner-dance Jan. 22. This will be in the nature of a "gridiron dinner."

O'Connell Tells Producers How to Combat Auto Drop

CINCINNATI—In the current issue of "Eureka-Security News," house organ of the Eureka-Security agency here, Arthur M. O'Connell, manager, points out that automobile insurance is almost certain to be drastically curtailed and may virtually disappear if the war lasts long enough. He warns producers to be prepared to make their calls by other means than automobiles and urges them to brace their business against the automobile drop by striving to write at least two other policies for every automobile contract written or renewed.

"Many of our competitors," Mr. O'Connell's statement continues, "will nurse their automobile business until the bitter end, hoping against hope that our equilibrium will be restored before the general use of automobiles ceases entirely. Let us not follow such a shortsighted practice."

Follow Increased Values

To offset the loss of automobile premiums at least partially, Mr. O'Connell points out that the value of household equipment and residences has increased greatly and that nominal fire policies should be increased. A recent survey of the business in the Eureka-Security office revealed that over 85 percent of the assured carrying \$1,000 household furniture policies own personal property

worth at least twice that sum and many of them far more than this. He urges his producers to stop telephoning for renewals, but to go out and check the assured's values and also look for other lines which the client needs. Blackouts and other war measures are bound to increase the burglary and robbery hazard and the increased amount of cash due to war payrolls will greatly increase the amount at risk. In a time of emotional upheaval and economic stress, juries are certain to become more liberal with other people's money and there should be a real market for residence liability insurance. Servants are hard to get and harder to keep, so domestic servant and medical reimbursement coverage should be pointed out to every householder.

Collections must be watched carefully, Mr. O'Connell concludes. "We may as well make up our minds that easy credit on insurance premiums will no longer be granted. From a selfish standpoint, the office will be obliged to insist that payments be made more promptly than ever before. We will not have the time, the inclination, the personnel and possibly the material to send repeated bills to delinquent customers, to write collection letters and to carry these accounts from month to month on our books. You will not have the time to call upon an assured two or three or four times for collection purposes, when a single trip would suffice."

Second Educational Series Is Being Held in Kansas

A Zone 6 educational meeting under the direction of C. J. Wintrol, Royal, was held in Wellington, Kans., with Annamarie Collette of the Collette Agency in charge of local arrangements. A good representation from Winfield and Arkansas City was present. Meetings in Zone 7 under State Agent Nick Kleber, L. & L. & G., were held in Garden City, Pratt and Great Bend. Other meetings are scheduled at Emporia, Jan. 27; Junction City, Jan. 28; Marysville, Jan. 29; Goodland, Feb. 3, and Norton, Feb. 4. Howard Fullington of Dulaney, Johnston & Priest, Wichita, is state chairman for the Kansas Association of Insurance Agents.

Cincinnati Underwriters Hold Annual Meeting

T. W. Earls, T. M. Geoghegan and Frederick Rauh were elected to a two-year term on the governing committee of the Cincinnati Fire Underwriters Association at the annual meeting. The committee, which includes Gustav May and West Shell, holdover members, will organize later and elect officers. A testimonial to T. M. Bryant, retiring president, was adopted.

J. F. Schweer, executive secretary, reported membership was 91 fire underwriting offices and 1,287 individuals. Founded April 18, 1838, the association is celebrating its 104th year. A series of educational meetings will be conducted for agents, solicitors and office employees of members, the first to be held Jan. 30.

Rehearing in Iowa Case on Termination Notice

DES MOINES—Three local companies, Allied Mutual Casualty, Employers Mutual Casualty and Town Mutual Dwelling, have been permitted to intervene in the case now on appeal before

the Iowa supreme court on the cancellation notice requirements of the state insurance laws. The statute requires 30 days notice of termination and the supreme court recently held that this applies to expiration of the policy as well as cancellation during its term, so that companies under this case would be required to give 30 days notice on every expiration.

The supreme court permitted a petition for rehearing of the case, which involved Pioneer National Casualty.

To Protect Business of Omaha Agents in U. S. Work

OMAHA—The Omaha Association of Insurance Agents has adopted a resolution providing that members during the term of the national emergency, will not intentionally solicit either directly or indirectly the business of any producing agents absent on government duties; that should any such business be offered the member will explain to the assured his and the association's position, and should he then be requested to write the business, he will do so; that on such business as is written in this manner, he will retain for himself a reasonable overriding fee not to exceed 5 percent on fire and marine and 7½ percent on casualty and fidelity, such commission as remains to be paid to the absentee agent, his estate, or to whom ever he shall designate; that upon the absentee agent's reentrance in the insurance business in Omaha, he will have returned to him all business written in this manner.

If any member shall violate the principles set forth in the resolution, he shall be subject to expulsion from the association, the resolution stipulates.

Plan Educational Meeting Series in Michigan

LANSING, MICH.—W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, and Chester W. Dow, Flint, chairman of the association's educational committee, are lining up local boards throughout the state in making local preparations for a series of regional educational conferences. R. D. Billings, special agent Detroit Fire & Marine, is general chairman for the Michigan Fire Underwriters Association, which is preparing the programs in collaboration with the Casualty & Surety Executives Association and the Surety Association of Michigan. The series will be confined to round-table discussions between agents and field men, with no set speeches and the field men directing actual insurance study and discussion in their specialties.

Meetings will be held at Flint Jan. 26, Saginaw Jan. 27 and Ann Arbor Feb. 5. Other meetings will be held in February and March in Detroit, Lansing, Port Huron, Battle Creek, Marquette, Houghton, Iron Mountain, Escanaba, Benton Harbor, Kalamazoo and Traverse City.

Move Against National Assurance

LINCOLN, NEB.—Insurance Director Fraizer has asked the district court to name him conservator for National Assurance of Lincoln, of which George L. Waters has been president and manager. Mr. Waters operated National Accident for a number of years, but some years ago organized the present company so as to enter the life field. This proved unprofitable, and in recent years it has been operated as stock accident and health company.

Mr. Fraizer said National Assurance has not been active in transaction of new insurance business for over a year, and

Fifty-Year Man

William M. Byrne, chairman of the Lawton-Byrne-Bruner agency of St. Louis, has completed 50 years in the insurance business.

In 1892, he began his career as special agent for American Employers in Chicago. Shortly thereafter he went to New York as general agent of the old Union Casualty & Surety of St. Louis. In 1899, when this company's business



W. M. BYRNE

was reinsured in Maryland Casualty Company, Mr. Byrne formed the agency of William M. Byrne & Co. and became general agent of Maryland Casualty in St. Louis, which position he held until 1914, at which time his agency merged with the Lawton Bruner Agency to form the present Lawton-Byrne-Bruner Insurance Agency Company.

Mr. Byrne has served in several capacities in local, state and national associations and is highly regarded in insurance circles.

that its present condition is not due to any recent happenings but rather to the economic situation in past years.

New Nebraska Fire Marshal

LINCOLN, NEB.—R. L. Crosson, state fire marshal for the past six months and head of the state fire prevention division of the state defense committee, has resigned to become assistant chief of plant protection for an ordnance plant the federal government is building at Wahoo, which will be operated by the Firestone Rubber Company. He is succeeded by A. E. Carter, deputy fire marshal and former sheriff of York county.

Fire Prevention Plan for St. Louis

ST. LOUIS—John J. O'Toole, president St. Louis Board, has appointed a special advisory committee to assist in the organization of St. Louis' protection against fires and explosions in local industries.

President O'Toole also has appointed his son, John J. O'Toole, Jr., a broker with F. D. Hirschberg & Co., to act as his assistant in handling office routine, etc., in connection with fire protection plans.

An arson squad is being organized to consist of some 65 high class special trained men to make investigations, etc.

Mayor Becker, in answering public criticism that the St. Louis fire depart-

ment is woefully undermanned and lacking in sufficient modern equipment, announced that steps will be taken to immediately add 60 or 65 men to the department. An application for \$1,200,000 for new fire fighting equipment and new fire stations was made to the federal government some weeks ago.

Kansas Agents Aid Defense

TOPEKA—The officers and executive committee of the Kansas Association of Insurance Agents, headed by President Victor G. Henry, personally presented to Governor Ratner of Kansas a copy of a resolution putting the association at the service of the governor, state defense council and civilian defense committee. Bert Mitchner, director of taxation and revenue and a past president of the Kansas agents' association, accompanied the delegation. The resolution was adopted by the executive committee at a meeting in Topeka. Governor Ratner urged every local agent to present himself to his local defense council and offer his services. President Henry has sent a bulletin to members of the Kansas association, as well as to 1,000 non-members and the field men, urging the insurance people to enlist in defense work. He urges the organization of local agents in towns where there is now no local board, as a means of aiding defense.

Toledo Slate Announced

TOLEDO—Nominees for officers of the Toledo Association of Insurance Agents, election to be held Jan. 27, are: Leonard R. Spitzer and Paul B. Shawen, president; J. C. Heidberg and C. J. Florian, first vice-president; A. J. Kaltenebach and James Davies, second vice-president; R. T. Brown, Bert Decker, Jr., Robert Falconer, Glenn L. Fitkin, H. M. Hayden, A. B. Regenold, Kenneth C. Rowland and W. G. Senn, directors, four to be elected. Bert Decker is chairman of the nominating committee.

Earl Walterschied, superintendent of the Toledo bureau of fire prevention, spoke Jan. 13 on how the association and individual insurance men may participate actively and constructively in the present emergency.

Ginger Feted in 20th Year

James Ginger, Kankakee, Ill., local agent, was honored by field men of companies which he represents at a dinner on his 20th anniversary in the business. He was presented a traveling bag. J. P. Fellows, special agent Fireman's Fund, was toastmaster. Companies sent many bouquets.

Berkeley Akron Speaker

At the annual meeting of the Insurance Board of Summit County, held in Akron, O., W. T. Akers, Jr., was elected president. James Smith was elected vice-president, and C. E. Slusher and Lawrence Beams, trustees.

An address was given by E. B. Berkeley, president of the Insurance Board of Cleveland, and vice-president of the

Seven Termer



CHARLES J. MONTGOMERY

Charles J. Montgomery for the seventh time has been elected president of the Rock Island, Ill., Association of Insurance Agents. The other officers were also reelected: W. C. Maucker vice-president, Miss Helen M. Stombs, secretary.

Victor B. Day, chairman of the Rock Island Safety Council, in an address, said the first objective in the city's safety program should be to save cars and tires.

Ohio Association of Insurance Agents, on "Why and How of a Local Association."

Field Meetings in Cleveland

The Ohio Blue Goose will give a stag party in Cleveland the evening of Feb. 2. The Ohio Fire Underwriters Association will meet the next day.

Main & Baker House Organ

Main & Baker, Inc., prominent independent adjusters of Minneapolis, are now getting out a little four-page publication in newspaper style entitled "The Bulletin." It is being published twice a month. It contains news of the organization and articles of general interest to adjusters. It contains the news that J. F. Main, president of Main & Baker, is spending the winter at Tucson, Ariz., and recalls that it was in 1903 that he founded the J. F. Main Company, which became Main & Baker when J. W. Baker became a partner in 1920. There is an interesting study of depreciation of various types of roofs that should be particularly helpful in adjusting hail and windstorm claims. Main & Baker got together a statement of the normal period of serviceability of

various types of roofing. A roofing manufacturer and three experienced roofers were consulted in making the survey.

Lloyd Warns of Brokerage Rules

COLUMBUS—Superintendent Lloyd has issued a new ruling, reminding Ohio insurance men of the requirements on non-resident brokerage business. Commission on insurance covering Ohio risks may be paid only to non-residents who are licensed by the Ohio department and Mr. Lloyd stated that it is the duty of the agent or company to ascertain whether the broker has a license. He mentioned several common infractions, such as signing policies in blank, signing policies with rubber stamps and giving authority to home office people to sign the name of an Ohio representative. While the department believes these practices have ceased, Mr. Lloyd said that their recurrence may result in license revocation.

Lincoln, Neb. Change

Merle C. Rathburn has retired as manager of the insurance department of the First Trust Co., Lincoln, Neb., and his duties broadened to cover employee and public relations. Before taking charge of the insurance department of First Trust as vice-president, he was for years state agent of Liverpool & London & Globe in Illinois. He was later superintendent of agencies in the western department.

Mathias G. Volz succeeds Mr. Rathburn in charge of the First Trust insurance department. He has been with First Trust 16 years. He is widely known as a football official in the "Big Six." He was umpire at the Sugar Bowl game between Missouri and Fordham on New Year's day and umpired the East and West game a week later.

Fergus Speaks in Newton

Irvin E. Toevs, secretary of the Newton (Kan.) Insurance Board was host to the board in his new offices for the January meeting. In spite of zero weather, there was good attendance. Following announcement of commission apportionment on public business for the year and other routine business conducted by President Dwight Eells, Ewing B. Fergus, Wichita manager Kansas Inspection Bureau, led an informal discussion on agency service. It was voted to hold another of the series of educational meetings sponsored jointly by the Kansas Fire Underwriters Association and Kansas Association of Insurance Agents Jan. 22.

Minn. Farm Mutuals Meet

ST. PAUL—State and federal officials have prominent parts on the program of the annual meeting of the State Association of Farmers Mutual Insurance Companies which opens here Wednesday and continues two days. Speakers include Commissioner Johnson, E. J. Devitt, assistant attorney-general of Minnesota in charge of insurance mat-

ters; A. D. Reynolds, U. S. collector of internal revenue; John D. Jones, Jr., general agent Federal Land Bank of St. Paul, and Judge Harry A. Johnson of Mankato. Sam R. Boyle of St. Paul will discuss automobile and casualty insurance.

Way Cleared for Appellate Action

KANSAS CITY—By overruling motions to strike certain portions of the record, the three-judge federal court has cleared the way for the contempt convictions of T. J. Pendergast and R. E. O'Malley to be heard by the U. S. circuit court of appeals. The court here sentenced the two to two-year prison terms for their part in the Missouri fire rate case compromise, on charges of contempt of court.

Two Big Fires in Minnesota

ST. PAUL—Fire caused more than \$100,000 damage to the building occupied by Curtis 1,000, a printing firm, and the adjoining St. Paul Athletic Club building.

At Waseca, Minn., four business buildings were damaged by fire following gas explosions. Loss was estimated at \$150,000 to the Herger Importing Co., Herger department store, Johnson radio shop, Crystal cafe and Bundie variety store.

Invest in Defense Bonds

MINNEAPOLIS—As one way of doing its part in national defense, the executive committee of the Minnesota Association of Insurance Agents has voted to invest its reserve allocated to the National association in defense bonds. The committee gave a vote of appreciation to Howard Williams of Mankato for his work in arranging an educational course for regional associations. These regional meetings are now under way in various parts of the state.

Regional Rally at Fergus Falls

FERGUS FALLS, MINN.—The history and types of carriers will be discussed at a meeting of the Park Regional Agents Association here Feb. 10. Speakers will be John McHale, New York Underwriters, and S. W. deWaard, National Liberty. This will be one of a series of regional educational programs being put on this winter, sponsored by the Minnesota Association of Insurance Agents.

Clingan Lucas County Speaker

O. A. Clingan of Rough Notes Co., Indianapolis, discussed "Insurance Office Management" at a dinner meeting of the Lucas County Insurance Board in Toledo, O.

Mutuals Get Scant Satisfaction

LINCOLN, NEB.—Mutual agents who had protested to the Lincoln board of education that they were being discriminated against in the distribution of school building coverage succeeded in getting old rules changed, but emerged with but a scant share of the business.



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The new rule permits purchase of policies from mutuals meeting certain standards of rating, but requires that they have home offices in Lincoln. There are only two of them.

Broaden K. C. Prevention Contest

Accident prevention has been added to fire prevention by the Insurance Agents Association of Kansas City in its essay contest for fourth grade pupils this year. The fire and accident prevention committee headed by Preston Dobbin is in charge of the contest. Prizes for the contest, which closes March 10, will be defense bonds and stamps.

Cover St. Paul Voting Machines

ST. PAUL—Joyce Insurance, Inc., has written all-risk marine coverage on the city's 325 voting machines, which are stored most of the time in a large warehouse and are brought out only for city and state elections. The coverage includes transportation to and from the warehouse, theft, breakage and fire. The machines are valued at \$325,000. The in-

surance was awarded under competitive bids.

K. C., Kan., Advertising Program

The Insurance Agents Association of Kansas City, Kan., is using substantial space in its local newspaper to tell of its organization in 1927, and its functions. The advertisement also promoted the Red Cross drive. Members were listed.

NEWS BRIEFS

Commissioner Johnson of Minnesota will be the speaker at the Jan. 20 dinner meeting of the Insurance Buyers Association of Minnesota in Minneapolis.

Hilding Barren, Milwaukee county manager of Phoenix of Hartford, and **Hubert Wolfe**, Milwaukee insurance attorney, have been named on the boards to conduct alien enemy hearings in the eastern federal district of Wisconsin.

Russell S. Haight, who has operated a local agency in Holland, Mich., for the past six years, has now become Michigan state manager for Bankers Mutual Life of Freeport, Ill., and will be located in Detroit.

U. S. Drops Cover on Acquired Cotton and Naval Stores

The Commodity Credit Corporation is offering a new storage contract to warehousemen, which, if accepted by the warehousemen, would relieve them from the necessity of furnishing insurance. This new contract is liberal enough that, no doubt, most warehousemen will accept it; and, if so, on Feb. 1, when the new contracts become effective, practically all acquired cotton will become uninsured.

The C. C. C. is still requiring insurance in connection with loan cotton. This insurance is provided by the warehouseman and is evidenced by insured warehouse receipts. No change has taken place in connection with the Commodity Credit Corporation's requirements as to insurance for loan cotton.

The C. C. C. has storage contracts with the various warehousemen for the storing of acquired cotton. (Acquired cotton is that cotton formerly known as loan cotton, the title to which has now been acquired by the C. C. C.) The various storage contracts differ in accordance with the amount of storage paid, and as to insurance requirements. Some contracts call for the warehouseman to insure the cotton for the market value, others require the warehouseman to insure for not exceeding 10 cents per pound.

In connection with corn loans the C. C. C. does not require the producer to furnish insurance, and the C. C. C. is not insuring farm stored corn which belongs to the corporation. The C. C. C. has canceled its insurance on naval stores owned by the corporation. The corporation is still requiring insurance on naval stores upon which it has made loans, and upon which the producer still retains an interest.

Action of the C. C. C. in entering into new storage contracts with the cotton warehousemen, which eliminates insurance on the cotton, will cause a loss to the companies of several million dollars. Agents will lose commissions. Also, the dropping of insurance on other commodities, such as corn, tobacco and naval stores, will mean loss of premiums to companies of several million dollars.

Williamson War Risk Head

Charles H. Williamson, president of Alan H. Bonito & Co. has become manager of the marine department of Rhode Island in New York and will be in charge of marine war risk underwriting. Rhode Island just recently formed its own war risk underwriting department. Mr. Williamson was with the head office of Pearl and before that

Salt Lake association welcomed the assemblage and stated the purpose of the meeting. Chief speakers were Fred A. Moreton, Salt Lake City, member of the executive committee of the national association, and H. M. Semmelmeyer, San Francisco, public relations manager Pacific Board. Both emphasized the importance of the association movement and the value of membership. E. H. Ford, Ogden, president of the state organization, announced similar meetings probably will be held in Ogden, Provo and Logan. Other speakers included C. C. Eubank, Ogden, national councillor; Commissioner Carlson, Deputy Commissioner Ottosen and W. F. Langton, executive committee member of the Salt Lake Real Estate Board. Toastmaster was J. T. Pence of the Rogers, Evans, Pence Company, Salt Lake. Richard Folland, publicity chairman, following adjournment, announced 10 applicants had signed on the "dotted line" for membership in the Salt Lake association.

to the status of their fire insurance policies in the event of fires caused by enemies dropping explosives. Brokers have been called upon by many clients for an explanation of the coverage they have in force. Frequently, brokers report, clients became aggressive in their demands that the policy be extended to cover such contingencies. Reports from Los Angeles and other California communities are along the same lines.

Dates Set for Hearings in Pearl Cases in Montana

The Montana supreme court has set a hearing for Feb. 10, on the appeal of Pearl, Eureka-Security F. & M. and Monarch for reversal of a Lewis & Clark county district court ruling which would force them to be subjected to a hearing on revocation of licenses.

The district court granted a motion by Commissioner Holmes, in which Holmes sought to quash a writ of prohibition against conducting the hearings.

The supreme court previously granted a stay of proceedings on the matter. In federal court at Helena, Judge Baldwin denied motions by the three companies to vacate actions designed to prevent hearings by Holmes and set the

COAST

Extended Coverage Changes on Coast

SAN FRANCISCO—The Pacific Board has adopted the new war risk exclusion clause and the revised vandalism endorsement for the extended coverage endorsement. The change is effective immediately in all Pacific Coast states except Washington and Oregon, and it is expected that the new forms will be approved in those two states shortly.

These changes, first brought out by the Explosion Conference late in November in connection with riot and civil commotion insurance, have now been adopted by all major fire insurance jurisdictions, although there are a number of scattered states in which they are not in force as yet.

The division of malicious damage insurance into two forms, one excluding acts of agents of belligerent governments and the other covering this hazard, has been abolished. There is now only one form, which includes acts of foreign agents. The new war exclusion clause is much shorter than the old and seems to decide the many ambiguities of the old clause in the assured's favor. Excluding only "bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power or operations of armed forces engaged in hostilities," the new form apparently makes it clear that losses such as accidental crashes of army aircraft while not fighting accidents during blackouts and the like are covered.

The Standard Forms Bureau published a new extended coverage endorsement and also a short endorsement which can be used to bring the old form into line. In its announcement, it asked agents and companies to help conserve paper by using up their old supplies, with the aid of the amending endorsement.

Utah-Salt Lake Agents' Dinner Most Successful

SALT LAKE CITY—The dinner meeting held here by the Utah Association of Insurance Agents and the Salt Lake City association to start a drive to organize the agents of the entire state more effectively, was regarded as an unqualified success. Close to 70 attended. President R. M. Jennings of the

was in its Pacific Coast department. He had been with Bonito since 1938. He had a number of connections in former years on the Pacific Coast.

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British Fire Fighter Speaks

SAN FRANCISCO—About 200 fire company officials, special agents, engineers and others heard a detailed account of methods used in Great Britain, and particularly London, in combating incendiary bomb fires at a special meeting here at which D. D. Ivall, London fire brigade officer, spoke. Mr. Ivall explained the methods employed in expanding the brigade's personnel to many thousands and establishment of auxiliary fire stations throughout the districts. Motion pictures of fires and methods employed in handling incendiary bombs by use of stirrup pumps were shown. Clinton D. Lasher, Home of New York, president Pacific Board, presided.

Discuss Company Statements

PORLAND, ORE.—The Portland Blanket Club heard a discussion of insurance companies' financial statements and how to read and understand them by G. W. Haerle, office manager of Charles W. Sexton Company. Informal discussion of various items in the statements lent much interest to the talk.

At the meeting Jan. 19, the program will be presented by three prospective members who have otherwise qualified for membership, and who will either present 1,500-word theses on insurance, or conduct question and answer sessions for 15 minutes each. They are Hugh Hammond, Royal-Liverpool group; Dick Ritz, Charles W. Sexton Company, and A. C. MacNamara, Swett & Crawford. At the session Feb. 2 Robert Fronk, Oregon Insurance Rating Bureau; F. M. Gatter, agency superintendent Phil Grossmeyer Company, and Ed. Singmaster of Swett & Crawford will present similar offerings.

The two meetings following will feature talks on the automobile liability policy and the material damage automobile form.

Forum Has Postponed Meeting

SAN FRANCISCO—The Fire Underwriters Forum of San Francisco at its meeting, Jan. 14, when W. T. Seawell, Jr., manager Interstate Underwriters Board, was installed as president, had an elaborate entertainment program of the character usually associated with night banquets, because of the postponement of the affair from the usual date in December, because of the constant threat of blackouts in San Francisco and environs.

H. W. Semmelmeyer, manager public relations department Pacific Board, induced the new officers and Bert W. Levitt, insurance attorney, spoke for the retiring officers.

Seattle Fund Now \$250,000

SEATTLE—The Seattle school district's self-insurance fire fund now stands at \$250,000, it was made known when some of the funds were invested in defense bonds. A number of years ago the board discontinued carrying fire insurance on the city's school properties and went on a self-insurance basis.

Wallace Kelly Again Active

SAN FRANCISCO—Wallace Kelly, former Pacific Coast manager of the Yorkshire group, who retired early last year, is back at work watching over the

King County Banquet and Meeting Attracts Over 200



W. H. HARMER

SEATTLE—More than 200 members participated in the annual meeting and banquet of the King County Insurance Association here.

The slate previously announced, headed by William H. Harmer as president was elected.

Robinson C. Jenner officiated as master of ceremonies at the banquet. Prof. John L. Christian, University of Washington, spoke on "The Burma Road and the War Today in the Far East." A. W. White, retiring president, was presented a gift as a token of appreciation for his leadership.

Brokerage business of his nephew, McClure Kelly, Jr., son of the late Pacific Coast manager of the North America. The younger Kelly is now in the navy and expects to receive his commission in the near future. Two sons of Wallace Kelly also are in the navy.

Horan to Speak in Seattle

SEATTLE—H. K. Horan, manager inland marine department General of Seattle, will speak on truck cargo insurance at the Jan. 20 dinner meeting of the Seattle Blanket Club. A. S. Joy, Seattle manager Travelers Fire, spoke on the personal property floater at the last meeting.

The annual dance has been set for Feb. 7. Gordon Rennie, Swett & Crawford, and William King are co-chairmen.

Spokane Agents to Elect

The Spokane Insurance Association will hold its annual meeting Jan. 19. A slate of officers will be presented by the nominating committee headed by C. M. Livingston. Richard H. Rogers is the retiring president.

Legal phases of agency relationship were discussed by Roy E. Lowe, Spokane attorney, at the last meeting.

O'Connor Assistant Manager

C. F. O'Connor has been appointed assistant manager of the city department of Pacific National Fire in San Francisco. He started in the insurance business in 1929, went with Pacific National in 1936 and has held various important positions in the underwriting department. Miss Genevieve Rossi heads the

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city department. E. R. Tilton continues as special agent.

Millet with Cleveland & Miller

Charles G. Millet has joined the Cleveland & Miller agency of Denver in the production and agency service end of the business. Since 1924 he has been in the business, associated either with the Mountain States Compensation Rating Bureau, Royal-Globe-Eagle Indemnity companies and Cashman & Evans in the capacity of either inspector, auditor or field man.

Blanket Clubs to Cooperate

The Seattle Blanket Club and the newly-formed Portland Blanket Club have under consideration a plan for close cooperation in programs to further educational interests of young insurance men. The possibility of expanding the club idea to other Pacific Coast cities also is being explored.

F. C. A. B. Changes on Coast

W. L. Fisher, formerly adjuster in charge of the San Bernardino, Cal., office of the Fire Companies Adjustment Bureau, is being placed in charge of the Medford, Ore., office, replacing E. L. Triplett, who is transferred to Los Angeles. F. M. LaVerne will replace Mr. Fisher in charge of the San Bernardino office.

New Fire Station for Seattle

SEATTLE—Contract for construction of a new fire station in the heart of Seattle's defense industry area was let last week. The station will be located on Harbor Island in close proximity to Seattle's shipyards and aircraft factories.

NEWS BRIEFS

W. A. Swanson, formerly with the claim department of General of Seattle

in Portland, has established an independent adjusting office at Marshfield, Ore., handling fire, automobile, casualty and inland marine losses. He was with the Fireman's group and Fire Companies Adjustment Bureau in Portland before going with General.

Gordon Rennie, special agent at Seattle for Swett & Crawford, is back on the job after undergoing an appendectomy which kept him confined for two weeks.

Thomas Larke, Jr., well-known San Franciscan and one-time member of the staff of the old Pacific Coast Fire Prevention Bureau, father of the San Francisco disaster preparedness plan and the San Francisco Red Cross Disaster Relief Commission, spoke before the municipal and county government section of the Commonwealth Club in San Francisco on "Local Government and Civilian Defense."

Madison-York Company, Fresno, Cal., received from Pacific National Fire a 25-year commemorative plaque. The presentation was made to D. J. Yerk by R. S. Smiley, assistant secretary, and E. J. Hallinan, Pacific National special agent in the San Joaquin valley.

Jay Tague, agent of San Bernardino, Cal., has filed a petition in bankruptcy listing liabilities of \$1,674 and assets \$716.

Gulledge Joins Manning General Agency of Dallas

Hal A. Gulledge is joining the T. A. Manning & Sons general agency of Dallas. Mr. Gulledge is resigning as vice-president and director of Trinity Universal. He has been with that company since its organization in 1926 and prior to that was with Cravens, Dargan & Co.

Frank B. Gustafson, formerly Iowa state agent for Illinois Casualty, joined Upham Brothers general agency for Preferred Accident as Iowa state agent.

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IN THE SOUTHERN STATES

Plan Victory Party Instead of 75th Year Celebration

The Davis, Bradford & Corson agency of Nashville which was to have been hosts at a brilliant celebration marking its 75th anniversary, Jan. 23, has now called off the party, notifying those who had been invited as follows:

"Having heard the President's report to the nation yesterday, we have regretfully come to the conclusion that the present is an inappropriate time for our anniversary celebration. Therefore, we are postponing it for the duration and inviting you to our Victory party, date as yet undetermined."

The guests would have included presidents of four insurance companies, they being F. J. O'Neill, Royal Indemnity; T. J. Irvine, United Firemen's; John A. Diemand, North America, and Harold V. Smith, Home.

War Situation Aids Women

ATLANTA—The southern department of the America Fore seems to be a bellwether in the matter of employment of women in advanced positions. Miss Lucille Burkett has been an examiner in the general cover division for several years, and now Miss Lunelle Staples has been appointed assistant examiner in the inland marine and automobile division. Assistant examiners under Miss Burkett in the general cover division are Miss Elizabeth Jenks, who is a niece of Emory L. Jenks, general agent Pacific Mutual Life, and Miss Helen J. Roberts, daughter of J. P. Roberts, advertising manager Retail Credit Co.

The war situation is the principal instrumental in the increase of feminine personnel in southern insurance offices, especially the departmental establishments in Atlanta.

North to Conduct Clinic

RICHMOND—H. P. North, assistant director Business Development Office, will conduct an insurance clinic at a regional meeting of the Virginia Association of Insurance Agents here Jan. 22. In the clinic, an agency will be dissected so to speak, to see how it clicks. Mr. North will be assisted by Reginald Price, president of the North Carolina association, and S. G. Ostot, manager of that association. Talks will be made by J. Bruce Crater, Charlotte, N. C., and Landon Hill of Raleigh. The Virginia legislative program will be outlined by J. R. Ayres, Jr., chairman of the legislative committee of the Virginia association. An attendance of more than 200 is expected.

Seek to Defer Firemen

LOUISVILLE—The city civil service board has started a movement to ask that all needed members of the police and fire departments be deferred from military service, in that they are held to be needed for protection of the city. Recently some good men have been lost to the departments, taken by defense industries, by the F.B.I., etc.

Police and fire department officials are training a large number of volunteer fire wardens and emergency men.

Kentucky Legislature in Session

LOUISVILLE—The legislature has convened for a 60 day session. So far as is known the insurance interests are not proposing any legislation. Just what bills may be introduced affecting insur-

ance is not known, but Commissioner Goodpaster has indicated that he may sponsor legislation governing the insurance activities of automobile financing companies. It is also known that an administration bill will provide for compulsory workmen's compensation. This would probably involve a constitutional amendment, and could probably not become effective for a long time.

Now Linebaugh & Peoples

D. H. Linebaugh, independent adjuster at Dallas, because of increasing business, announces the association of G. A. Peoples, the firm to be known as Linebaugh & Peoples, with offices at 716 Gulf States building.

Mr. Peoples has had wide adjusting experience in the field and home office. Mr. Linebaugh has been in the adjusting business in Dallas for several years, prior to which he had training as field adjuster and home office claim supervisor.

Cawthon in West Tennessee

NASHVILLE—R. T. Cawthon, manager Tennessee Association of Insurance Agents, left Nashville Monday to visit local agents in Trenton, Jackson, Union City, Covington, Dyersburg and Memphis. He attended a meeting of the Gibson County Insurance Exchange at Trenton Tuesday. Mr. Cawthon addressed the exchange briefly in the absence of J. R. Claypool, special agent America Fore, Nashville, who was forced to cancel an engagement to speak there. Organization of one or more local exchanges by Manager Cawthon on this trip is expected.

Policies Now Non-Assessable

An amendment to the by-laws of Hardware Mutual Fire of Charlotte, N. C., became effective Jan. 1, providing that its policies are now non-assessable. Heretofore the assessment liability had been one additional premium. Hardware Mutual operates on a direct writing basis in North and South Carolina. It has been paying dividends of 40 percent to policyholders.

Defense Talk in Richmond

RICHMOND—R. T. Barton, Jr., Richmond attorney, who is director of the Richmond, Petersburg and Hopewell Regional Defense Council, spoke at the January dinner meeting of the Richmond Insurance Exchange on problems of defense. He emphasized that it is well to be prepared, no matter how remote danger might seem to be. The Exchange adopted resolutions offering its services and pledging support to defense in the Richmond area.

Vigilant Names A. F. Irby & Co.

ATLANTA—A. F. Irby & Co. has been named general agent of Vigilant of New York, in charge of Alabama, Florida, Georgia and South Carolina.

The agency also represents the Sun, Patriotic, Western Assurance and Empire State.

A. F. Irby, Sr., started the firm in 1923 and is assisted by his son, A. F.

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Irby, Jr., and Marion N. Watson. Offices are at 721 Trust Company of Georgia building.

Ellis Opens Own Office

Prioleau Ellis has resigned as president of the Central Adjustment Bureau, New Orleans, and has established his own adjustment office at 822 Perdido Street. Prior to joining the Central Adjustment Bureau, Mr. Ellis was with the Fire Companies Adjustment Bureau.

Improves Protection at Lawton

LAWTON, OKLA.—Voters here approved a \$300,000 special bond issue for extensive waterworks, sewer and fire department improvements, necessitated by defense expansion. A federal grant of \$276,900 will supplement the bonds. The extension plans include two suburban fire stations costing \$52,000; improvement of Medicine Park filter plant and additional water lines at a cost of \$205,900.

Houston Tells of Legislation

The Jackson (Miss.) Exchange at its monthly meeting was addressed by Scott Houston of Jackson, who pointed out the various types of legislation which may be introduced in the legislature. Sam Lumpkin, speaker of the house, Tupelo, was invited to speak at the next meeting. Both programs were arranged by G. P. Howes, Jr., Jackson, program chairman.

PWA Grant for Fire Equipment

CHATTANOOGA, TENN.—Obligated to protect a huge war department ordnance plant under construction, the Chattanooga fire department has secured a \$25,000 PWA grant, to be matched with an equal amount by the city, to be applied to the purchase of five new fire engines and chemical equipment for fighting gas and gasoline fires.

U. & O. Revisions in Louisiana

NEW ORLEANS.—A revised schedule for business interruption insurance (U. & O.) has been promulgated by the Louisiana Rating & Fire Prevention Bureau, bringing it into line with changes recently adopted in other parts of the country. A new schedule also has been adopted for metal workers, resulting in rate reductions on this class of 20 to 25 percent.

Thomsen with West & Co.

H. J. Thomsen, Jr., has been appointed special agent by the Floyd West & Co. general agency of Dallas, Texas, for the Corpus Christi territory.

Report on Regional Meetings

SAN ANTONIO—The San Antonio Insurance Exchange heard a report from Secretary F. F. Ludolph on the regional BDO meetings at McAllen and Corpus Christi.

NEWS BRIEFS

The Raleigh (N. C.) Association of Insurance Women has adopted resolutions pledging aid in defense work. A. J. McDavid, state agent in North Carolina New York Underwriters spoke on "Insurance Women and Defense."

Roger Clarke, Fredericksburg, Va., past president of the Virginia Associa-

tion of Insurance Agents, has been made chairman of the defense savings committee of his city.

Frank J. Quirk, manager of the casualty and automobile department of the Quirk & McAllister general agency, San Antonio, is the father of a daughter.

E. W. Clark, president of Oklahoma City Insurers Exchange, has been named chief rabban of India Temple Shrine, Oklahoma City.

T. Graham Hall of Hall & Benedict has been reelected president of the Nashville chamber of commerce.

R. L. Ellis, Atlanta, president Georgia Association of Insurance Agents and head of Lipscomb-Ellis Agency, has been placed in command of supply and emergency stations in the Atlanta first district defense organization, headed by Brig. Gen. Eugene Oberdorfer, another prominent local agent.

EAST

Philadelphia Society 40th Anniversary Banquet Feb. 9; John Diemand Toastmaster

PHILADELPHIA—The banquet of the Insurance Society of Philadelphia will be held at the Penn Athletic Club Feb. 9.

John W. Donahue, resident vice-president of Maryland Casualty, is president of the Society, which is celebrating its fortieth anniversary. John A. Diemand, president of the North America companies, will act as toastmaster.

Chairman of the banquet committee is Ernest E. Lindner, Indemnity of North America, chairman, and the vice chairmen are Newton B. Meade, Buckley & Meade; George W. Ruhl, North America; and Joseph R. Knowlan, Knowlan-Thorpe.

Attendance and tickets chairman is George Rowland, Wagner-Taylor Co.; reception, Jacob Haslein, 3rd, Robt. M. Coyle Co.; seating, William Thorpe, Knowland-Thorpe; entertainment, Newton B. Meade, Buckley & Meade; dinner, W. Wright Humphreys, Hutchinson, Rivinus & Co.; decorations, Percy G. Buck, and publicity, R. Rowland Dearden, "United States Review."

Closed Meeting in Passaic

PASSAIC, N. J.—The Passaic County Association of Insurance Agents will hold a closed meeting Jan. 22. It will be known as "every member bring a prospect" night. Speakers will be W. D. O'Gorman, chairman of the executive committee, and C. S. Burke, chairman membership committee of the New Jersey Association of Insurance Agents.

Camden County Banquet Jan. 22

NEWARK—The annual banquet of the Camden County Association of Insurance Agents will be held Jan. 22. Guests will include Alfred Christie, president, and W. F. O'Brien, secretary-treasurer of the New Jersey Association of Insurance Agents. Both will make brief talks.

Buffalo Market Burns: Not Insured

BUFFALO—The city-owned Washington Market, swept by fire Jan. 5 with a loss of about \$115,000 to building and contents, was not insured because the council several years ago voted to discontinue insuring most city buildings.

About 70 stall operators were put out of business by the fire.

Pittsburgh Rally on Defense

Nine insurance organizations in Pittsburgh are sponsoring an insurance civilian defense rally at the William Penn Hotel, Saturday noon. All of the insurance offices that keep open on Saturdays will close at 11:30 a. m. so that the employees may attend the meeting promptly. Speakers will inform those



present how they can best apply their qualifications in the common good.

Various civil defense and Red Cross speakers will appear. Steacy E. Webster, Provident Mutual, Pennsylvania chairman in the National Association of Life Underwriters plan for defense bond sales, will talk.

E. Walter Geisler of Fred S. James & Co. is chairman and E. W. Murphy co-chairman.

New England Rating Body Meets

BOSTON—The annual meeting of the New England Fire Insurance Rating Association was held here with Ralph Sweetland, executive manager, delivering his annual report, and the treasurer and department heads rendering their usual accounts. Membership remains at 191. Stamping office business for 1941 increased 2.6 percent. Only one complaint had to be adjusted during the year.

Five new directors were elected for three year terms: Guy E. Beardsley, vice-president Aetna Fire; W. E. Maynard, vice-president Providence Washington; A. E. Murdock, secretary North British & Mercantile; James D. Smart, president New Hampshire Fire; and Edward C. Stone, president Employers Fire.

McCoy to Factory Association

William B. McCoy, Jr., of Kaler, Carney, Liffler & Co., Boston agency, and before that special agent in New England for Home and Northern, has joined the Factory Insurance Association in Hartford.

N. Y. Local Agents Reelected

All officers of the Association of Local Agents of the City of New York, Inc., were reelected at the annual meeting. The officers are: President, A. J. Smith; vice-president, Charles Bellinger; secretary-treasurer, E. Stanley Jarvis.

CANADIAN

Canadian Premiums Soar Approximately 15% in 1941

TORONTO—Canadian fire and casualty premiums increased approximately 15 per cent in 1941, totaling well over \$95,000,000, Superintendent Finlayson of Canada reports.

The substitution of three-year term fire policies instead of the former one-year term for mercantile risks accounts for the part of the gain.

The 37 percent fire loss ratio in 1940 will not be exceeded in 1941; a reduction is rather to be expected.

In the automobile field restrictions on the consumption of gasoline and a consequent reduction in traffic may have tended to reduce both premiums and accidents, but the latter have been swollen by wartime pressure and recklessness, so that the loss ratio will be found to be not less, but probably greater than in 1940.

MOTOR

Wood of Camden Fire Sees Auto Opportunity This Year

Agents may feel there is little use in soliciting automobile insurance this year because of tire rationing and curtailment of new car manufacture. However, W. J. Wood II, assistant secretary Camden Fire, points out in a letter to agents that this is not true.

More than 30,000,000 cars are still on the street, and all of them need insurance, now more than ever before, he

writes. Thefts and pilferage losses are bound to increase along with the cost of all repairs. With a shortage of cars, parts and new tires, the individual needs real protection on his automobile.

As individuals complete finance payments for their cars, they become live prospects for automobile coverages and eventually this entire market will be available to local agents.

Tire rationing and possible gasoline rationing should not at present eliminate any of the potential market for automobile insurance, Mr. Wood writes. If these or other factors bring about dead storage of automobiles in the future to a great extent, such cars so stored will still need fire and theft coverage. In addition a live prospect list of owners who need all forms of automobile coverage can be culled from the list of owners having priorities on tires and autos.

MARINE

Named to Southern Unit of Marine Office



ROGER WHEELWRIGHT

Marine Office of America has transferred Roger Wheelwright to New Orleans as assistant to J. Kenneth Sadler, manager of the southern department.

Mr. Wheelwright is a native of Elizabeth, N. J. After preparing at the Pingry School, he attended Amherst College. After graduation, he entered the insurance business with W. B. Brandt & Co. at New York in 1930. In 1934 he went to Northern Assurance as assistant manager of their inland marine department. He became manager of the New York metropolitan and suburban inland marine departments of American in 1938. In the autumn of 1941 Mr. Wheelwright joined the Marine Office and served in the agency underwriting departments at New York.

Changes in Iowa Requirements

DES MOINES—The Iowa State Commerce Commission is now requiring the filing of certificates rather than duplicate policies to meet the insurance requirements applying to truck operators or motor carriers. Three certificate forms are available, one covering cargo insurance, another liability and property damage and the third is a combined form.

Iowa is also requiring a new endorsement for cargo insurance policies which is explained in the "Rules and Regula-

tions Governing the Operations of Truck Operators" available from the commission.

Donnelly to F. & G. Home Office

E. C. Donnelly, special agent for the inland marine department of the Fidelity & Guaranty Fire at New Orleans, has been transferred to the home office.

Boston Inland Marine Course

A course of 24 one-hour lectures on inland marine insurance was announced by the Insurance Library Association of Boston. Lectures will be conducted Fridays under direction of G. L. Richards, manager ocean and inland marine department, Boston branch of the Aetna Life affiliated companies, assisted by S. B. Edwards, his assistant manager; Harold Bartlett, assistant secretary Boston, and Lawrence Moore, manager marine department O'Brien, Russell & Co.

Va. Floater Hearing Continued

RICHMOND—Because a newspaper in southwest Virginia failed to carry an advertisement giving notice of a hearing set for Jan. 7 on petition of the Virginia Rating Bureau seeking authority for the writing of the personal property floater policy in this state, the hearing was continued to Jan. 27. The commission had directed that notices of the hearing be published in Richmond and Norfolk newspapers and in one in the southwestern part of the state.

New Committees of Bar's Insurance Section Named by Chairman C. F. Robinson

Clement F. Robinson of Portland, Me., chairman of the section of insurance law of the American Bar Association, has now completed the appointment of the new committees. Vice-chairman of the section is J. Harry LaBrum of Philadelphia and secretary is John F. Handy. Chairman of the council is Howard C. Spencer, Rochester, N. Y.

The executive committee consists of John F. Handy, Springfield, Mass.; Thomas Watters, Jr., New York, and Messrs. LaBrum, Robinson and Spencer.

Chairman of the membership committee is George B. Harris, Cleveland; chairman of the program committee is Howell Van Auken, Detroit, and the vice-chairman is Mr. LaBrum; chairman of publications committee is L. P. Kristeller, Newark, and vice-chairman, H. W. Raymond, Lumbermen's Mutual Casualty, Chicago.

Chairman of the automobile insurance law committee is F. B. Baylor, Lincoln, Neb., and vice-chairman, George L. DeLacy, Omaha.

Chairman of the aviation insurance law committee is Clinton M. Hester, Washington, and vice-chairman, Robert T. Barton, Richmond, Va. Chairman of the casualty insurance law committee is Hugh D. Combs, U. S. F. & G., and vice-chairman is E. W. Sawyer, National Bureau of Casualty and Surety Underwriters. Fidelity and surety chairman is Henry W. Nichols, National Surety, and Vice-chairman J. Kemp Bartlett, Jr., U. S. F. & G. Chairman of the fire insurance law committee is James M. Guiher, Clarks-

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Jan. 12, 1942.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	122	127
Aetna Fire	10	1.80*	56	58
Aetna Life	10	1.40*	25 1/2	27
Amer. Alliance ...	10	1.20*	22	23 1/2
Amer. Equitable ...	5	1.00	18	19 1/2
Amer. Home ...	10		5	
Amer. (N. J.) ...	2.50	.60*	12 1/2	13 1/2
Amer. Surety ...	25	2.50	45 1/2	47 1/2
Automobile ...	10	1.40*	36	38
Balt. Amer.	2.50	.40*	6 3/4	7 1/2
Boston	100	21.00	600	630
Camden Fire....	5	1.00	20 3/4	22 1/4
Carolina ...	10	1.40*	25 1/2	28
Contl. Cas.	5	1.50*	30 1/2	32
Contl. N. Y.	2.50	2.20*	41	42
Fidelity-Phen. ...	2.50	2.20*	39	41
Fire Assn.	10	2.50*	62 1/2	64 1/2
Firemen's (N. J.)	5	.40	9	10
Franklin Fire...	5	1.40*	28 3/4	30
Gen. Reinsur.	5	2.00	40 1/2	43
Georgia Home.	10	1.20*	24	27
Glens Falls.	5	1.60	41	43
Globe & Repub.	5	.50	9	10
Gt. Amer. Fire.	5	1.20*	26 1/4	28
Gt. Amer. Ind.	1	.20	10	12
Halifax ...	10	1.00*	10	11
Hanover Fire...	10	1.20	25 1/2	27
Hartford Fire...	10	2.50*	89	92
Home Fire Sec.	10		50c	1.25
Home (N. Y.) ...	5	1.60*	30	32
Ins. Co. of N. A.	10	3.00*	76	78
Maryland Cas.	1		2 1/2	3 1/4
Mass. Bonding ...	12.50	2.50	59	61
Mer. (N. Y.) Com.	5	2.00*	48	50
Natl. Cas.	10	1.00	22	24
Natl. Fire ...	10	2.00	59	61
Natl. Liberty ...	2	.40	7	8
Natl. Un. Fire.	20	5.00*	152	157
New Amst. Cas.	2	.87 1/2	18 1/4	19 1/2
New Hampshire ...	10	1.80	44	46
Northern (N. Y.) ...	12.50	5.00*	95 1/2	100
North River ...	2.50	1.00	23 1/2	25
Phoenix, Conn.	10	3.00	86 1/2	89
Preferred Acci.	5	1.00	13 1/2	14 1/2
Prov. Wash.	10	1.40*	32	34
St. Paul F. & M.	62.50	10.00*	270	280
Surety, Conn.	10	1.40	40 1/4	43
Sprgld. F. & M.	25	4.75*	119	124
Standard Acci.	10	2.50	49 1/2	52 1/2
Travelers	100	16.00	360	375
U. S. Fire.	4	2.00	46 1/2	49
U. S. F. & G.	2	1.25*	24	25

*Includes extras.

**Canadian funds.

burg, W. Va., and vice-chairman is Fred G. Clarke, Seattle.

Chairman of the health and accident committee is Oliver H. Miller, Des Moines and vice-chairman, Oscar D. Brundidge, Dallas.

Chairman of inland marine is Robert E. Hall, Aetna Casualty, and Joseph G. Bill, Continental Casualty, New York, vice-chairman.

Chairman of insurance law practice and procedure is Wilbur E. Benoy, Columbus, O., and vice-chairman is J. A. Gooch, Fort Worth.

Oscar J. Brown of Syracuse is chairman of the committee on lay insurance adjusters and vice-chairman is William G. Caples, Continental Casualty, Chicago. Ralph H. Kastner of the American Life Convention is chairman of the life insurance law committee and Julius C. Smith of Greensboro, N. C., is vice-chairman.

George E. Beechwood of Philadelphia is chairman of the marine insurance law committee and Roy W. Chamberlain of New York is vice-chairman.

George W. Goble of the University of Illinois heads the committee on qualification and regulation of insurance companies and Samuel R. Feller of the New York insurance department is vice-chairman.

Chairman of the workmen's compensation and employers liability committee is Thomas N. Bartlett, Maryland Casualty, and vice-chairman is Gay Gleason, Employers Liability.

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